

HEALTH SERVICES AND DEVELOPMENT AGENCY

JANUARY 23, 2013

APPLICATION SUMMARY

NAME OF PROJECT: Erlanger Bledsoe Hospital

PROJECT NUMBER: CN1209-044

ADDRESS: 16931 Rankin Avenue
Dunlap (Sequatchie County), TN 37327

LEGAL OWNER: Chattanooga-Hamilton County Hospital Authority
D/B/ A Erlanger Health System
975 East 3rd Street
Chattanooga (Hamilton County), TN 37403

OPERATING ENTITY: Chattanooga-Hamilton County Hospital Authority
D/B/ A Erlanger Health System
975 East 3rd Street
Chattanooga (Hamilton County), TN 37403

CONTACT PERSON: Joseph Winick, SVP- Planning and Business
Development
Erlanger Health System
975 East 3rd Street
Chattanooga, TN 37403
(615) 778-3211

DATE FILED: September 10, 2012

PROJECT COST: \$1,816,347.00

FINANCING: Cash Reserves

PURPOSE FOR FILING: Initiation of service and operation of a Satellite
Emergency Department

DESCRIPTION:

Chattanooga-Hamilton County Hospital Authority d/b/a Erlanger Bledsoe Hospital-Satellite Emergency Department is seeking approval for the development of a hospital satellite Emergency Department (ED) located at 16931 Rankin Avenue, Dunlap (Sequatchie County), TN 37327. The proposed project will be a satellite emergency department of Erlanger Bledsoe Hospital located at

ERLANGER BLEDSOE HOSPITAL

CN1209-044

JANUARY 23, 2013

PAGE 1

71 Wheelertown Avenue, Pikeville (Bledsoe County), TN 37367. Erlanger Bledsoe Hospital is owned by Chattanooga-Hamilton County Hospital Authority. Erlanger Bledsoe Hospital is a twenty-five (25) bed critical access hospital. The proposed satellite ED will be open 24 hours a day, 7 days per week. The projected initiation of ED services for the proposed project is April 20, 2013. No other health care services will be initiated or discontinued.

Note to Agency members: A Critical Access Hospital (CAH) is a hospital certified to receive cost-based reimbursement from Medicare. The reimbursement that CAHs receive is intended to improve their financial performance and thereby reduce hospital closures. Source: US Health and Human Services, Rural Assistance Center.

The proposed site was originally approved in September 1993 by the former Health Facilities Commission for the development of a satellite emergency care and outpatient diagnostic center providing 24-hour emergency services; primary outpatient services, including x-ray, ultrasound, EKG, and physical therapy; a base for operation of the county ambulance service; and the two (2) physician offices.

The applicant notes the proposed site was operated by Grandview Medical Center, formerly South Pittsburg Medical Center, until August 2010, at which time it was downgraded to an urgent care center due to financial losses. The applicant indicates Grandview Medical Center operated the satellite ED on the basis of the prospective reimbursement from Medicare and government payors and that the new proposed project operated by Erlanger Bledsoe Hospital will be reimbursed by Medicare and other government payors on a cost basis. *Note to Agency Members: A Prospective Payment System (PPS) is a method of reimbursement in which Medicare payment is made based on a predetermined, fixed amount. Source: Centers for Medicare and Medicaid Services*

CRITERIA AND STANDARDS REVIEW

CONSTRUCTION, RENOVATION, EXPANSION, AND REPLACEMENT OF HEALTH CARE INSTITUTIONS

1. **Any project that includes the addition of beds, services, or medical equipment will be reviewed under the standards for those specific activities.**

This criterion does not apply. The applicant is not adding beds, services, or medical equipment that requires a CON.

2. **For relocation or replacement of an existing licensed health care institution:**

- a. **The applicant should provide plans which include costs for both renovation and relocation, demonstrating the strengths and weaknesses of each alternative.**

This criterion does not apply. The applicant is applying for a new certificate of need.

- b. **The applicant should demonstrate that there is an acceptable existing or projected future demand for the proposed project.**

This criterion does not apply. The applicant is applying for a new certificate of need.

3. **For renovation or expansions of an existing licensed health care institution:**

- a. **The applicant should demonstrate that there is an acceptable existing demand for the proposed project.**

The applicant states the existing proposed site was previously approved, licensed and operated as a free standing ED. The applicant projects 12,131 ED visits in 2012 increasing 7.8% to 13,075 in 2017. The applicant conservatively estimated 5,000 ED visits in Year One and 5,250 visits in Year Two of the proposed project. The applicant states Sequatchie County residents do not have proximal access to full service emergency medical care.

It appears that this criterion has been met.

- b. **The applicant should demonstrate that the existing physical plant's condition warrants major renovation or expansion.**

Not applicable. The applicant states the existing proposed site was previously approved, licensed and operated as a free standing ED. The applicant states in the application the proposed facility needs upgrades of paint, wall coverings, floors and ceiling tiles. Telecommunication and minor electrical upgrades will also be required. There will be minimal construction associated with a "cosmetic" renovation of the leased properties.

It appears that this criterion has been met. However, it is unknown whether it will meet current building codes.

ERLANGER BLEDSOE HOSPITAL

CN1209-044

JANUARY 23, 2013

PAGE 3

SUMMARY:

The proposed satellite emergency department is located approximately twenty-one (21) miles southwest (26 minute drive time) from Erlanger Bledsoe Hospital in adjoining Sequatchie County. The proposed satellite ED is a collaborative effort with Sequatchie county government. Sequatchie County owns the existing building and 6.03 acre site proposed for the satellite emergency department which includes an existing helipad. In the event an air ambulance is needed, the applicant plans to utilize Erlanger's LifeForce air ambulance for emergency out of county transports. Sequatchie County also owns and operates the emergency medical service (EMS) that serves the county from the same location of the proposed project.

Per the supplemental response, the proposed satellite ED will be a Class A Facility- per CMS Guidelines, and will be affiliated with a Level I Trauma Center. The applicant indicates the proposed project Erlanger Bledsoe Hospital-Satellite ED has already been approved by the Centers for Medicare and Medicaid Services as a cost based unit of Erlanger Bledsoe Hospital.

Note to Agency Members: A "Type A" provider-based emergency department must meet at least one of the following requirements: (1) It is licensed by the State in which it is located under applicable State law as an emergency room or emergency department and be open 24 hours a day, 7 days a week; or (2) It is held out to the public (by name, posted signs, advertising, or other means) as a place that provides care for emergency medical conditions on an urgent basis without requiring a previously scheduled appointment and be open 24 hours a day, 7 days a week. Source: <http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HospitalOutpatientPPS/Downloads>

Approximately 1,100 square feet of space will be designated for patient triage, exam and treatment spaces, and for a trauma and orthopedic room. Five-hundred square feet of waiting space will be designated that will accommodate about 50 occupants. A separate ambulance entrance with a decontamination room, a 400 SF radiology suite and 401 SF of laboratory area will be available.

Sequatchie County will lease the approximate 10,000 square foot building to the applicant for a charge of \$1.00 per year. Also, a \$500,000 medical equipment grant secured by Sequatchie County will be included in the \$1.00 per year lease agreement. The applicant plans to use the \$500,000 grant to purchase the following items and services: monitoring equipment; communications equipment; IT systems and hardware; decontamination unit; security system; crash carts; glucose meters; wall and portable suction equipment; picture archiving and communication system (PACS); and a Kronos Clock and

ERLANGER BLEDSOE HOSPITAL

CN1209-044

JANUARY 23, 2013

PAGE 4

Installation. A description of the grant is provided in Attachment A-31 of the application.

The remaining medical equipment will be a Digital Rad Room X-ray, Injector and Ultrasound. This equipment will be secured through an operating lease.

Erlanger Bledsoe Hospital is a 25 bed critical access acute care hospital. The Joint Annual Report for 2011 indicates Erlanger Bledsoe Hospital is staffed for all of its licensed 25 beds, for a licensed bed and staffed occupancy rate of 25.7%. There were 26 admissions from Sequatchie County in 2011 to Erlanger Bledsoe Hospital representing 12.3% of the total 211 admissions. The highest percentage of admissions was from Bledsoe County with 152 admissions, or 72%. The applicant has provided a chart of general utilization trends for Erlanger Bledsoe Hospital on page 33 of the CON application.

The following provides the Department of Health's definition of the two bed categories pertaining to occupancy information provided in the Joint Annual Reports:

Licensed Beds - The maximum number of beds authorized by the appropriate state licensing (certifying) agency or regulated by a federal agency. This figure is broken down into adult and pediatric beds and licensed bassinets (neonatal intensive or intermediate care bassinets).

Staffed Beds - The total number of adult and pediatric beds set up, staffed and in use at the end of the reporting period. This number should be less than or equal to the number of licensed beds.

According to the Department of Health's population projections, the proposed project's one county service area of Sequatchie County is projected to grow by 4.7% over the next four years, from 14,042 in 2012 to 14,701 in 2016. Persons 65+ are projected over the same period to increase 14.9%, from 2,144 in 2012 to 2,463 in 2016. The service area average enrollment in TennCare is 25.6% compared to the statewide average of 18.9%.

The Projected Data Chart provided by the applicant projects net operating losses for the project of (\$575,068) during the first year of operation and (\$572,635) during the second year of operation. The applicant project 5,000 emergency department visits in Year 1 increasing to 5,250 visits in Year 2, a 5% increase. Gross Operating Revenue will increase from \$7,680,000 in Year One to \$8,463,168 in Year Two. The applicant projects to employ a staff consisting of 16.1 FTE's representing \$879,228 in salaries and wages expense in Year One. As with the majority of hospitals, the Emergency Department is not a highly profitable

ERLANGER BLEDSOE HOSPITAL

CN1209-044

JANUARY 23, 2013

PAGE 5

operation by itself, but serves as an important point of admission to the more profitable ancillary and inpatient services.

Per the Historical Data Chart, Erlanger Bledsoe Hospital has experienced a negative profitability history but improving financial performance over the past three fiscal years. The hospital as a whole has faced a Net Operating Loss of (\$1,023,694) for FY 2009, (\$1,903,054) for FY 2010 and (\$16,085) for FY 2011. Net operating revenue increased 24% from \$6,827,891 in 2009 to \$8,470,301 in 2011. Patient days increased 37.25% from 10,355 days in 2009 to 14,213 days in 2011. The largest percentage revenue increase from 2009 to 2011 occurred in the applicant's outpatient and emergency services departments. Outpatient services increased from \$7,983,913 in 2009 to \$10,216,746 in 2011, a 27.9% increase. The applicant's emergency services department experienced the largest departmental revenue increase with a 49.3% increase from \$3,459,687 in 2009 to \$5,166,811 in 2011.

Erlanger Bledsoe Hospital is contracted with TennCare Select, BlueCare, United Healthcare Community Plan (children's medical services under age 21 & high risk maternity only) and AmeriGroup Community Care. It is anticipated that during the first operational year following completion of the project, gross TennCare revenues are anticipated to be \$2,978,304 (38.8% of total gross revenues), while Medicare revenues are anticipated to be \$1,787,904 (23.2% of total gross revenues). In addition, the applicant has budgeted \$479,930 (6.2% of total gross revenues) for charity care.

The total estimated project cost is \$1,816,347 of which Construction (renovation) accounts for \$85,000 while moveable equipment is budgeted at \$63,503. The applicant indicates minor renovation construction costs will be \$1.83 per square foot (SF). The Building lease is calculated as the fair market value at \$533,991.00, the CT scanner five (5) year lease at \$1,129,776.00 and CON Filing Fees cost at \$4,077.

The applicant states the facility needs upgrades of paint, wall coverings, floors and ceiling tiles. Telecommunication and minor electrical upgrades will also be required. Per the Project Completion Forecast Chart construction (renovation) will be 100% complete on March 4, 2013. *The applicant provides comparable construction costs per square foot for other similar hospital projects recently submitted and approved by the Agency during 2008-2010 which are shown on page 37. The project's minor renovation construction cost ranks significantly less than other emergency room projects.*

A letter dated September 5, 2012 from Erlanger's Senior V.P. & Chief Financial Officer indicates Erlanger Bledsoe Hospital's intent to fund the proposed project

ERLANGER BLEDSOE HOSPITAL

CN1209-044

JANUARY 23, 2013

PAGE 6

through cash reserves. A review of Erlanger Health System's June 30, 2011 Financial Statements revealed current assets of \$175,079,356 including cash and temporary investments of \$56,435,634. Erlanger's current ratio is 2.20:1. The current ratio is a test of an organization's financial strength. A current ratio of 1.0 or greater suggests an organization has the assets to meet short-term debt obligations.

Erlanger Bledsoe Hospital is accredited by the Joint Commission. The applicant plans to also apply for Joint Commission Accreditation for the new proposed satellite ED.

The applicant has submitted the required corporate documentation, real estate option to lease and requisite demographic information for the applicant's proposed service area. HSDA staff has reviewed these documents. Staff will have a copy of these documents available for member reference at the meeting. Copies are also available for review at the Health Services and Development Agency office.

Should the Agency vote to approve this project, the CON would expire in three years as requested by the applicant.

CERTIFICATE OF NEED INFORMATION FOR THE APPLICANT:

There are no other Letters of Intent, or denied or pending applications, for this applicant.

Outstanding Certificates of Need:

Chattanooga-Hamilton County Hospital Authority dba Erlanger Medical Center, CN1207-034A, has an outstanding Certificate of Need that will expire December 1, 2015. The CON was approved at the October 24, 2012 Agency meeting for the renovation, upgrade and modernization of adult operating rooms and will include the addition of four (4) new operating rooms. No other health care services will be initiated or discontinued. The estimated project cost is **\$21,725,467.00**. *Project Status Update: The Certificate of Need was recently approved.*

Chattanooga-Hamilton County Hospital Authority d/b/a Erlanger East, CN 0405-047AE, has an outstanding Certificate of Need that, following three modifications for extension of the time, will expire on December 1, 2014. The CON was approved at the October 27, 2004 Agency meeting for the construction of a new four (4) story patient tower and other ancillary space: transfer of seventy-nine (79) beds from the main Erlanger campus to the east campus: initiation of cardiac catheterization and acquisition of a magnetic resonance imaging (MRI) scanner. This project will decrease the main campus beds from

ERLANGER BLEDSOE HOSPITAL

CN1209-044

JANUARY 23, 2013

PAGE 7

703 to 624 licensed beds and increase the east campus beds from 28 to 107 licensed beds. The estimated project cost is \$68,725,321.00. *Project Status Update: Initial construction bids forced the initially planned single phase construction project to be divided into and implemented by multiple phases. The 2008-2010 economic and financial markets recession also caused further delays. Within the current phase, site work and interior renovation for the emergency department is currently underway with this phase of the project expected to be completed by year end. A third twenty- four (24) month extension was requested and granted at the September 26, 2012 Agency meeting.*

Chattanooga-Hamilton County Hospital Authority d/b/a Erlanger North Hospital CN1012-056A, has an outstanding Certificate of Need that will expire on May 1, 2013. The CON was approved at the March 23, 2011 Agency meeting for establishment of a nursing home and conversion of thirty (30) acute care beds to thirty (30) skilled nursing beds. The estimated project cost is \$1,477,052.00. *Project Status Update: The replacement of the roof has been completed and detailed drawings on the rework of the sprinkler system have been submitted to the State for review. Discussions with an existing SNF provider about programmatic implementation and related operations of the SNF unit are occurring. The applicant anticipates further discussions inclusive of the HSDA will occur in the near future. The applicant expects to complete implementation of the CON by the expiration date on May 31, 2013.*

CERTIFICATE OF NEED INFORMATION FOR OTHER FACILITIES IN THE SERVICE AREA:

There are no Letters of Intent, denied applications, pending applications, or outstanding Certificates of Need for other health care organizations in the service area proposing this type of service.

PLEASE REFER TO THE REPORT BY THE DEPARTMENT OF HEALTH, DIVISION OF HEALTH STATISTICS, FOR A DETAILED ANALYSIS OF THE STATUTORY CRITERIA OF NEED, ECONOMIC FEASIBILITY, AND CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE IN THE AREA FOR THIS PROJECT. THAT REPORT IS ATTACHED TO THIS SUMMARY IMMEDIATELY FOLLOWING THE COLOR DIVIDER PAGE.

PME (01/08/12)

LETTER OF INTENT

**LETTER OF INTENT
TENNESSEE HEALTH SERVICES & DEVELOPMENT AGENCY**

2012 SEP 10 AM 10:30

The Publication of Intent is to be published in the Chattanooga Times Free Press, which is a newspaper of general circulation in Hamilton County, Tennessee, on or before July 10, 2012, for one day.

This is to provide official notice to the Health Services & Development Agency and all interested parties, in accordance with T.C.A. §68-11-1601 *et. seq.*, and the Rules of the Health Services & Development Agency, that Erlanger Bledsoe Hospital, owned by the Chattanooga-Hamilton County Hospital Authority D/B/A Erlanger Health System, with an ownership type of governmental, and to be managed by itself, intends to file an application for a Certificate of Need for initiation of service and operation of a satellite Emergency Department. No other health care services will be initiated or discontinued.

The facility and equipment will be located at 16931 Rankin Avenue, Dunlap, Sequatchie County, Tennessee 37327. The total project cost is estimated to be \$ 151,513.00.

The anticipated date of filing the application is September 11, 2012.

The contact person for this project is Joseph M. Winick, Sr. Vice President, Erlanger Health System, 975 East 3rd Street, Chattanooga, Tennessee 37403, and by phone at (423) 778-3211.


Joseph M. Winick

Sept. 6, 2012
Date:

Joseph.Winick@erlanger.org
E-Mail:

The Letter Of Intent must be filed in triplicate and received between the first and the tenth day of the month. If the last day for filing is a Saturday, Sunday or State Holiday, filing must occur on the preceding business day. File this form at the following address:

**Health Services & Development Agency
Andrew Jackson Building
500 Deaderick Street, Suite 850
Nashville, Tennessee 37243**

The published Letter Of Intent must contain the following statement pursuant to T.C.A. §68-11-1607(c)(1): (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

ORIGINAL APPLICATION

Section A: APPLICANT PROFILE

Please enter all Section A responses on this form. All questions must be answered. If an item does not apply, please indicate "N/A". *Attach appropriate documentation as an Appendix at the end of the application and reference the applicable item Number on the attachment.*

1. Name of Facility, Agency, or Institution.

Chattanooga-Hamilton County Hospital Authority
D / B / A
Erlanger Bledsoe Hospital - Satellite Emergency Dept.
16931 Rankin Avenue
Sequatchie County
Dunlap, TN 37327

2. Contact Person Available For Responses To Questions.

Joseph M. Winick, SVP - Planning & Business
Development
Erlanger Health System
975 East 3rd Street
Chattanooga, TN 37403
(423) 778-3211
(423) 778-8068 -- FAX
Joseph.Winick@erlanger.org -- E-Mail

3. Owner of the Facility, Agency, or Institution.

Chattanooga - Hamilton County Hospital Authority
D / B / A
Erlanger Health System
975 East 3rd Street
Hamilton County
Chattanooga, TN 37403

4. Type of Ownership or Control.

- A. Sole Proprietorship
- B. Partnership
- C. Limited Partnership
- D. Corporation (For Profit)
- E. Corporation (Not-for-Profit)

- F. Governmental (State of TN or Political Subdivision) X
 G. Joint Venture
 H. Limited Liability Company
 I. Other (Specify)

PUT ALL ATTACHMENTS AT THE BACK OF THE APPLICATION IN ORDER
 AND REFERENCE THE APPLICABLE ITEM NUMBER ON ALL
 ATTACHMENTS.

- A copy of the enabling legislation along with
 a copy of the certification by the Tennessee
 Secretary of State is attached at the end of
 this Application.
- Please note that *Erlanger Health System* is a
 single legal entity and *Erlanger Bledsoe
 Hospital* is an administrative unit of
Erlanger Health System. Therefore, an
 ownership structure organizational chart is
 not applicable.

5. Name of Management / Operating Entity (if applicable).

Chattanooga-Hamilton County Hospital Authority
 D / B/ A
 Erlanger Health System
 975 East 3rd Street
 Hamilton County
 Chattanooga, TN 37403

PUT ALL ATTACHMENTS AT THE BACK OF THE APPLICATION IN ORDER
 AND REFERENCE THE APPLICABLE ITEM NUMBER ON ALL
 ATTACHMENTS.

6. Legal Interest in the Site of the Institution
 (Check One)

- A. Ownership
 B. Option to Purchase
 C. Lease of Years
 D. Option to Lease X
 E. Other (Specify)

PUT ALL ATTACHMENTS AT THE BACK OF THE APPLICATION IN ORDER
 AND REFERENCE THE APPLICABLE ITEM NUMBER ON ALL
 ATTACHMENTS.

7. Type of Institution

(Check as appropriate - more than one response may apply)

- A. Hospital (Specify) _____
- B. Ambulatory Surgical Treatment Center
(ASTC), Multi-Specialty _____
- C. ASTC, Single Specialty _____
- D. Home Health Agency _____
- E. Hospice _____
- F. Mental Health Hospital _____
- G. Mental Health Residential Treatment
Facility _____
- H. Mental Health Institutional Habilitation
Facility (ICF/MR) _____
- I. Nursing Home _____
- J. Outpatient Diagnostic Center _____
- K. Recuperation Center _____
- L. Rehabilitation Facility _____
- M. Residential Hospice _____
- N. Non-Residential Methadone Facility _____
- O. Birthing Center _____
- P. Other Outpatient Facility (Specify) _____ X
Satellite Emergency Dept. _____
- Q. Other (Specify) _____

8. Purpose of Review

(Circle Letter(s) as appropriate - more than one response may apply)

- A. New Institution _____
- B. Replacement/Existing Facility _____
- C. Modification/Existing Facility _____
- D. Initiation of Significant Health
Care Service As Defined In TCA
§ 68-11-1607(a)(4) (Specify) _____

- E. (Specify) _____
- F. Discontinuance of OB Services _____
- G. Acquisition of Equipment _____
- H. Change in Beds _____
[Please note the type of change by underlining]

the appropriate response:
Increase, Decrease, Designation,
Distribution, Conversion, Relocation]

I. Change of Location

J. Other (Specify)

X

Initiation Of Satellite Emergency Dept.

9. Bed Complement Data

Please indicate current and proposed distribution
and certification of facility beds.

	<u>Licensed Beds</u>	<u>(*) CON Beds</u>	<u>Staffed Beds</u>	<u>Beds Proposed</u>	<u>TOTAL Beds at Completion</u>
A. Medical	13		3		13
B. Surgical	5				5
C. Long-Term Care Hospital					
D. Obstetrical					
E. ICU / CCU					
F. Neonatal					
G. Pediatric					
H. Adult Psychiatric					
I. Geriatric Psychiatric					
J. Child / Adolescent Psychiatric					
K. Rehabilitation					
L. Nursing Facility (non - Medicaid Certified)					
M. Nursing Facility Level 1 (Medicaid only)					
N. Nursing Facility Level 2 (Medicare only)					
O. Nursing Facility Level 2 (dually certified Medicaid / Medicare)					
P. ICF / MR					
Q. Adult Chemical Dependency					
R. Child and Adolescent Chemical Dependency					
S. Swing Beds	7		7		7
T. Mental Health Residential Treatment					
U. Residential Hospice					
TOTAL	25		10		25

(*) CON Beds approved but not yet in service.

10. Medicare Provider Number

1770678617

Certification Type

General Acute Care

11. Medicaid Provider Number 1770678617

Certification Type General Acute Care

** Please note that the same NPI number for Medicare has been shown for Medicaid as well. This is because the individual TennCare MCO's each assign their own particular provider ID numbers.

** Please note that the Medicare provider number shown above is for Erlanger Bledsoe Hospital.

12. If this is a new facility, will certification be sought for Medicare and / or Medicaid ?

Yes _____ No _____

Response

** Not Applicable. Erlanger Bledsoe Hospital is a CMS designated Critical Access Hospital, an administrative unit of Erlanger Health System which currently participates in both the Medicare and Medicaid programs.

13. Identify all TennCare Managed Care Organizations / Behavioral Health Organizations (MCO's/BHO's) operating in the proposed service area. Will this project involve the treatment of TennCare participants ? Yes If the response to this item is yes, please identify all MCO's/BHO's with which the applicant has constructed or plans to contract.

Discuss any out-of-network relationships in place with MCO's/BHO's in the area.

Response

The applicant currently has contracts with the following entities.

A. TennCare Managed Care Organizations

-- BlueCare
-- TennCare Select

- United Healthcare Community Plan
(Children's Medical Services under age 21 &
High Risk Maternity Only)
- AmeriGroup Community Care

B. Georgia Medicaid Managed Care Organizations

- AmeriGroup Community Care
- Peach State Health Plan
- WellCare Of Georgia

C. Commercial Managed Care Organizations

- Blue Cross / Blue Shield of Tennessee
 - Blue Preferred
 - Blue Select
 - Blue CoverTN
 - Cover Kids (via Blue Select)
 - AccessTN (via Blue Select)
- Bluegrass Family Health, Inc.
(includes Signature Health Alliance)
- CIGNA Healthcare of Tennessee, Inc.
- UNITED Healthcare of Tennessee, Inc.
- Aetna Health
- Health Value Management D/B/A Choice Care
Network (Commercial & Medicare Advantage)
- HUMANA (Commercial & Medicare Advantage)
- HUMANA Military
- HealthSpring (Commercial & Medicare Advantage)

D. Alliances

- Health One Alliance

E. Networks

- Multi-Plan (includes Beech Street & PHCS)
- MCS Patient Centered Healthcare
- National Provider Network
- NovaNet (formerly Special Net)
- USA Managed Care Corp.
- MedCost
- Alliant Health Plan
- Crescent Preferred Provider Organization
- Evolutions Healthcare System
- Prime Health Resources
- Three Rivers Provider Network
- GEHA

- Galaxy Health Network
- First Health Network
- Integrated Health Plan
- Logicomp Business Solutions, Inc.

F. Other

- Bannum, Inc.
- Alexian Brothers
- Charleston Hosiery

Section B
PROJECT DESCRIPTION

Section B: PROJECT DESCRIPTION

Please answer all questions on 8 ½" x 11" white paper, clearly typed and spaced, identified correctly and in the correct sequence. In answering, please type the question and the response. All exhibits and tables must be attached to the end of the application in correct sequence identifying the question(s) to which they refer. If a particular question does not apply to your project, indicate "Not Applicable (NA)" after that question.

- I. **Provide a brief executive summary of the project not to exceed two pages. Topics to be included in the executive summary are a brief description of proposed services and equipment, ownership structure, service area, need, existing resources, project cost, funding, financial feasibility and staffing.**

Response

On September 22, 1993, the former *Tennessee Health Facilities Commission* approved CON No. CN9306-042A to Sequatchie County, Tennessee, for a free standing satellite emergency department to be located in Dunlap, Tennessee. The *Tennessee Dept. Of Health, Division of Licensure*, granted occupancy approval to *South Pittsburgh Medical Center* on October 31, 1994. A copy of the CON and the occupancy letter are attached to this CON application.

The satellite emergency department was operated by *Grandview Medical Center*, formerly *South Pittsburgh Medical Center*, until August, 2010, at which time it was effectively downgraded to an urgent care center. In February, 2012, *Grandview Medical Center* no longer operated the center due to financial losses. It should be noted here that *Grandview Medical Center* operated the satellite ED on the basis of prospective reimbursement from Medicare and government payors.

Erlanger Bledsoe Hospital, located in Bledsoe County, Tennessee, a CMS designated *Critical Access Hospital* ("CAH") and reimbursed by Medicare and other government payors on a cost basis, seeks approval to develop a satellite emergency department to be located in Dunlap, Sequatchie County, Tennessee; which is the same location and facility previously occupied by *Grandview Medical Center*. Dunlap, Tennessee, is

located approximately 22 miles from *Erlanger Bledsoe Hospital*. The plans for the satellite ED are being developed in collaboration with *Sequatchie County Government*. Sequatchie County owns and operates the EMS service that serves Sequatchie County residents from the same location and building proposed for the satellite emergency department. The site already includes an existing helipad that will be utilized by Erlanger's *LifeForce* air ambulance service in the event that this service is needed. The building, containing approximately 10,000 SF will be leased by Sequatchie County at a nominal rate of \$ 1 per year. In addition, Sequatchie County has secured a grant to purchase \$500,000 in medical equipment that will be included in the \$ 1 per year lease. The project cost including the \$500,000 in equipment, is \$648,000. The capital outlay by Erlanger is \$148,000.

Sequatchie County has a current 2012 population of approximately 14,521 persons and is expected to grow to 15,652 by 2017, an increase of 7.8%. By age cohort, most growth is expected in the 65 and over category at 24.4%. Those over age 65 consume healthcare at a rate as much as four times the rate of those under age 65. Access to essential health services, primary care and emergency care, is vital to all, but particularly to those over age 65.

For Sequatchie County residents, the need for emergency medical services is clear. The county ranks near the bottom of the list in health rankings of 95 counties in Tennessee. The premature death rate, the rate by which people die before the age of 75, is at 11,234 per 100,000 for Sequatchie County. This is more than double the US rate of 5,496 per 100,000 and nearly 25% higher than the overall Tennessee rate of 9,093 per 100,000. Neighboring Bledsoe County, which has population similar in size to Sequatchie County, is ranked near the top healthiest one-third of counties in the state on premature deaths to those over age 75 years of age. Ironically, the population of Bledsoe County has a lower socioeconomic status and is not as well educated as those residents in neighboring Sequatchie County. The key difference between the two counties, residents of Bledsoe County have proximal access to full service emergency medical care at *Erlanger Bledsoe Hospital*, while Sequatchie County residents do not.

Providing needed emergency medical care to a population of approximately 15,000 persons is very challenging when one considers the cost, inclusive of facilities, manpower and essential equipment. The Centers for Medicare and Medicaid

Services (CMS) recognizes this difficulty in the same way that it recognizes rural health clinics, federally qualified health centers and critical access hospitals. Special rules and regulations allow these providers to be reimbursed on a cost basis, as there is no other way to provide essential services following traditional reimbursement methods to the target population, without experiencing substantial financial losses. This was the experience of *Grandview Medical Center* which was unable to sustain the ED due to ongoing financial losses. In this respect, *Erlanger Bledsoe Hospital* has sought and received CMS authorization to develop the proposed ED as a satellite, helping to ensure that it would be economically sustainable on the cost based reimbursement methodology. Collaborating with *Sequatchie County Government* is also vital in helping to ensure that the population will have access to needed emergency medical services.

II. Provide a detailed narrative of the project by addressing the following items as they relate to the proposal.

- A. Describe the construction, modification and / or renovation to the facility (exclusive of major medical equipment covered by T.C.A. section 68-11-1601 *et seq.*) including square footage, major operational areas, room configuration, etc. Applicants with hospital projects (construction cost in excess of \$ 5 million) and other facility projects (construction cost in excess of \$ 2 million) should complete the Square Footage And Cost Per Square Foot Chart. Utilizing the attached Chart, applicants with hospital projects should complete Parts A.-E. by identifying as applicable nursing units, ancillary areas, and support areas affected by this project. Provide the location of the unit/service within the existing facility along with current square footage, where, if any, the unit/service will relocate temporarily during construction and renovation, and then the location of the unit/service with proposed square footage. The total cost per square foot should provide a breakout between new construction and renovation cost per square foot. Other facility projects need only complete Part B.-E. Please also discuss and justify the cost per square foot for**

this project.

**If the project involves none of the above
describe the development of the proposal.**

Response

Erlanger Bledsoe Hospital, located in Bledsoe County, Tennessee, a CMS designated *Critical Access Hospital* ("CAH") is reimbursed by Medicare and other government payors on a cost basis, seeks approval to develop a satellite emergency department to be located in Dunlap, Sequatchie County, Tennessee. Sequatchie County is located approximately 22 miles from *Erlanger Bledsoe Hospital*. The plan for development of the satellite ED is being developed in collaboration with *Sequatchie County Government*. Sequatchie County owns and operates the EMS service that serves Sequatchie County residents from the same location and building proposed for the satellite emergency department. The site already includes an existing helipad that will be utilized by Erlanger's *LifeForce* air ambulance service in the event that this service is needed. The building, containing approximately 10,000 SF will be leased from Sequatchie County for \$ 1 per year. In addition, Sequatchie County has secured a grant to purchase \$500,000 in medical equipment that will be included in the \$ 1 per year lease. The project cost including the \$500,000 in equipment is \$648,000. The capital outlay by Erlanger will be \$148,000.

- B. Identify the number of beds increased, decreased, converted, relocated, designated, and/or distributed by this application. Describe the reasons for change in bed allocations and describe the impact the bed change will have on the existing services.**

Response

*** Not applicable.*

Square Footage & Cost Per Square Foot Chart

The *Square Footage & Cost Per Square Foot Chart* is not applicable to this application.

- C. As the applicant, describe your need to provide**

the following healthcare services (if applicable to this application):

- | | |
|---|-----|
| 1. Adult Psychiatric Services | N/A |
| 2. Alcohol and Drug Treatment for Adolescents (exceeding 28 days) | N/A |
| 3. Birthing Center | N/A |
| 4. Burn Units | N/A |
| 5. Cardiac Catheterization Services | N/A |
| 6. Child and Adolescent Psychiatric Services | N/A |
| 7. Extracorporeal Lithotripsy | N/A |
| 8. Home Health Services | N/A |
| 9. Hospice Services | N/A |
| 10. Residential Hospice | N/A |
| 11. ICF/MR Services | N/A |
| 12. Long-Term Care Services | N/A |
| 13. Magnetic Resonance Imaging (MRI) | N/A |
| 14. Mental Health Residential Treatment | N/A |
| 15. Neonatal Intensive Care Unit | N/A |
| 16. Non-Residential Methadone Treatment Centers | N/A |
| 17. Open Heart Surgery | N/A |
| 18. Positron Emission Tomography | N/A |
| 19. Radiation Therapy/Linear Accelerator | N/A |
| 20. Rehabilitation Services | N/A |
| 21. Swing Beds | N/A |

Response

*** Not applicable. ***

D. Describe the need to change location or replace an existing facility.

Response

*** Not applicable. ***

E. Describe the acquisition of any item of major medical equipment (as defined by the Agency Rules and the Statute) which exceeds a cost of \$ 1.5 million; and/or is a magnetic resonance imaging (MRI) scanner, positron emission tomography (PET) scanner, extracorporeal lithotripter and/or linear accelerator by responding to the following:

1. For fixed site major medical equipment (not replacing existing equipment).
 - a. Describe the new equipment, including:
 1. Total Cost (as defined by Agency Rule).
 2. Expected useful life.
 3. List of clinical applications to be provided.
 4. Documentation of FDA approval.
 - b. Provide current and proposed schedules of operations.

Response

*** Not Applicable. ***

2. For mobile major medical equipment:
 - a. List all sites that will be served.
 - b. Provide current and proposed schedules of operations.
 - c. Provide the lease or contract cost.
 - d. Provide the fair market value of the equipment.
 - e. List the owner for the equipment.

Response

*** Not Applicable. ***

3. Indicate applicant's legal interest in equipment (i.e.-purchase, lease, etc.). In the case of equipment purchase include a quote and/or proposal from an equipment vendor, or in the case of equipment lease provide a draft lease or contract that at least includes the term of the lease and the anticipated lease payments.

Response

*** Not Applicable. ***

III. (A) Attach a copy of the plot plan of the site on an 8 ½" x 11" sheet of white paper which must include:

1. Size of site (**in acres**).

-- Erlanger Bledsoe Hospital satellite emergency dept. will be located in leased space on a 6.03 acre site owned by Sequatchie County, which is also the location of the Sequatchie County EMS service. A copy of the plot plan is attached to this application.

2. Location of structure on the site.

-- Erlanger Bledsoe Hospital satellite emergency dept. is centrally located on the site.

3. Location of the proposed construction.

-- Cosmetic type renovations (i.e.-paint & paper with miscellaneous repairs). Please see the location of the renovated space on the drawing attached to this application.

4. Names of streets, roads or highways that cross or border the site.

-- Erlanger Bledsoe Hospital satellite emergency dept. is located on Rankin Avenue, which is the main traffic artery of Dunlap, Tennessee. Rankin Avenue is also referred to as U. S. Highway 127 and is closely proximate to Williams Road. Highway 127 provides access to Dunlap, Tennessee, for a broad geography.

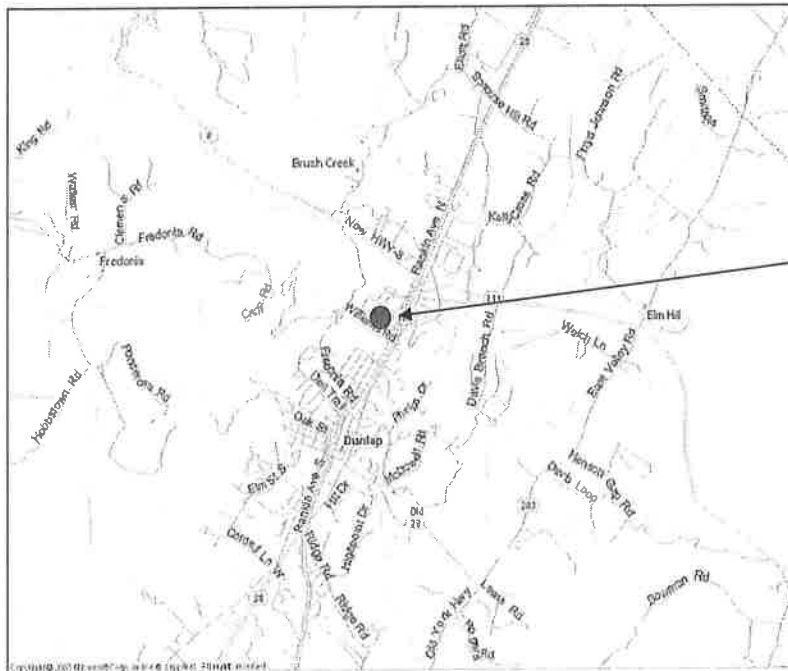
Please note that the drawings do not need to be drawn to scale. Plot plans are required for all projects.

(B) 1. Describe the relationship of the site to public transportation routes, if any, and to any highway or major road developments in the area. Describe the accessibility of the proposed site to patients/clients.

Response

2012 SEP 11 AM 9: 51

Erlanger Bledsoe Hospital satellite emergency dept. will be located on the primary traffic artery in Dunlap, Tennessee. While there is not any public transportation in Dunlap, Tennessee, Rankin Avenue is also designated as U. S. Highway 127, and is centrally located within the city limits, while also providing access throughout the County.



Erlanger Bledsoe Hospital
Satellite ED
Dunlap, Tennessee

- IV. Attach a floor plan drawing which includes legible labeling of patient care rooms (noting private or semi-private), ancillary areas, equipment areas, etc., on an 8 ½" x 11" sheet of white paper.

NOTE: **DO NOT SUBMIT BLUEPRINTS.** Simple line drawings should be submitted and need not be drawn to scale.

Response

Floor plans are attached at the end of this CON application.

V. For a Home Health Agency or Hospice, identify:

- A. Existing service area by County.
- B. Proposed service area by County.
- C. A parent or primary service provider.
- D. Existing branches.
- E. Proposed branches.

Response

*** Not applicable. ***

Section C

GENERAL CRITERIA FOR CERTIFICATE OF NEED

Section C: GENERAL CRITERIA FOR CERTIFICATE OF NEED

In accordance with Tennessee Code Annotated § 68-11-1609(b), "no Certificate of Need shall be granted unless the action proposed is necessary to provide needed health care in the area to be served, can be economically accomplished and maintained, and will contribute to the orderly development of health care." The three (3) criteria are further defined in Agency Rule 0720-4-.01. Further standards for guidance are provided in the state health plan (Guidelines For Growth), developed pursuant to Tennessee Code Annotated § 68-11-1625.

The following questions are listed according to the three (3) criteria: (1) Need, (2) Economic Feasibility, and (3) Contribution to the Orderly Development of Healthcare. Please respond to each question and provide underlying assumptions, data sources, and methodologies when appropriate. Please type each question and its response on 8 ½" x 11" white paper. All exhibits and tables must be attached to the end of the application in correct sequence identifying the questions to which they refer. If a question does not apply to your project, indicate "Not Applicable (NA)".

PRINCIPLES OF TENNESSEE STATE HEALTH PLAN

[From 2011 Update, Pages 5-13]

- 1. Healthy Lives: The purpose of the State Health Plan is to improve the health of Tennesseans.**

Response

As a safety net provider, *Erlanger Health System* strives to provide services that are accessible and appropriate to the needs of the populations, serving those in need regardless of ability to pay. Providing the right care in the right location is key to sustaining the mission. As noted in previous responses, Sequatchie County has a current 2012 population of approximately 14,521 persons and is expected to grow to 15,652 by 2017, an increase of 7.8%. By age cohort, most growth is expected in the 65 years and over category at 24.4%. Those over age 65 consume healthcare at a rate as much as four times the rate of those under age 65. Access to essential health

services, primary care and emergency care, is vital to all, but particularly to those age over age 65.

For Sequatchie County residents, the need for emergency medical services is clear. The county ranks near the bottom of the list in health rankings of 95 counties in Tennessee. The premature death rate, the rate by which people die before the age of 75, at 11,234 per 100,000, is more than double the US rate of 5,496 per 100,000 and nearly 25% higher than the Tennessee overall state rate of 9,093 per 100,000. Neighboring Bledsoe County, which has population similar in size to Sequatchie County, is ranked near the top healthiest one-third of counties in the state on premature deaths to those over age 75. Ironically, the population of Bledsoe County has a lower socioeconomic status and is not as well educated as those residents in neighboring Sequatchie County. The key difference between the two counties, residents of Bledsoe County have access to full service emergency medical care and services at *Erlanger Bledsoe Hospital*, while Sequatchie County residents have neither.

Improving the health of Sequatchie County residents by providing access to essential emergency services can contribute greatly to the health of those served and to the overall health of Tennessee. Tennessee, like Sequatchie County, currently ranks near the bottom in terms of the least healthy states in the US.

2. **Access To Care: Every citizen should have reasonable access to care.**

Response

Providing needed emergency medical care to a population of approximately 15,000 persons is very challenging when one considers the cost, inclusive of facilities, manpower and essential equipment. The *Centers for Medicare and Medicaid Services* (CMS) recognizes this difficulty in the same way it recognized rural health clinics, federally qualified health centers and critical access hospitals. Special Federal rules and regulations allow these providers to be reimbursed on a cost basis, as there is no other way to provide essential services following traditional reimbursement methods to the target population without experiencing substantial financial losses. In this respect, *Erlanger Bledsoe Hospital* has sought and received CMS authorization to develop the proposed ED as a

satellite, helping to ensure that it would be accessible and economically sustainable. Collaborating with *Sequatchie County Government* is also vital in helping to ensure that the population will have access to needed emergency medical services.

In addition, *Erlanger Health System* is a safety net provider, privileged to serve those in need regardless of ability to pay. This mission helps ensure access to care for all throughout the region.

3. **Economic Efficiencies: The State's health care resources should be developed to address the needs of Tennesseans while encouraging competitive markets, economic efficiencies, and the continued development of the state's health care system.**

Response

Access to health care is emphasized in the Patient Protection and Affordable Care Act (PPACA) as there is recognition that significant efficiencies may be gained by increasing access for those in need of essential care. Improved health status results from the availability and accessibility of needed health services.

As has been noted, for Sequatchie County residents, the need for emergency medical services is clear. The county ranks near the bottom of the list in health rankings of 95 counties in Tennessee. The premature death rate, the rate by which people die before the age of 75, at 11,234 per 100,000, is more than double the US rate of 5,496 per 100,000 and nearly 25% higher than the Tennessee overall state rate of 9,093 per 100,000.

Neighboring Bledsoe County, which has population similar in size to Sequatchie County, is ranked near the top healthiest one-third of counties in the state on premature deaths to those over age 75. Ironically, the population of Bledsoe County has a lower socioeconomic status and is not as well educated as those residents in neighboring Sequatchie County. The key difference between the two counties, residents of Bledsoe County have access to full service emergency medical care and services at Erlanger Bledsoe Hospital, while Sequatchie County residents have neither.

Cost efficiencies result by fostering access to needed services, minimizing dependence on the health care system to improve health status. Without access, medical problems can be compounded, increasing cost to the health system.

4. **Quality Of Care: Every citizen should have confidence that the quality of health care is continually monitored and standards are adhered to by health care providers.**

Response

Erlanger Health System was recently recognized by *U.S. News & World Report* as one of the 2012 top health care systems in the nation. This recognition, in part, is based on the quality of care provided. A great deal of emphasis is placed on the provision of safe, effective, patient centered, timely, efficient and equitable medical care. *Erlanger Bledsoe Hospital* is accredited by the *Joint Commission*. This would be the plan also for the satellite ED to be developed in Dunlap, Sequatchie County, ensuring to those served that they will receive the same high quality of care. This is a continuous commitment that is a hallmark of *Erlanger Health System*.

5. **Health Care Workforce: The state should support the development, recruitment, and retention of a sufficient and quality health care workforce.**

Response

Erlanger Health System, as southeast Tennessee's only academic medical center, has established strong long term relationships with the region's colleges, universities and clinical programs. *Erlanger* provides clinical sites for internships and rotation programs in nursing, radiology, respiratory care and pharmacy, to name a few. A number of regional universities offer Bachelor degree programs in nursing and physical therapy. Locally, two year degrees are available in many clinical allied health areas with additional programs offering advanced technical training in Radiological Imaging such as Nuclear Medicine, Diagnostic Ultrasonography, etc.

The *University of Tennessee College of Medicine (UTCOM)* is co-located at *Erlanger* and includes training of senior medical students on clinical rotation as well as graduate medical

education for training of residents and advanced fellowships in various medical specialties, including surgical specialties, as outlined below. The emergency residency at Erlanger, provided in collaboration with UTCOM, is the only ED residency program in the UT system and is evidence of the capabilities and commitment that Erlanger has to emergency medicine.

Residency Programs

- Emergency Medicine
- Family Medicine
- Internal Medicine
- Obstetrics & Gynecology
- Orthopedic Surgery
- Pediatrics
- Plastic Surgery
- Surgery
- Transitional Year

Fellowship Programs

- Geriatrics
- Hospice & Palliative Care
- Orthopedic Surgery - Traumatology
- Surgical Critical Care
- Vascular Surgery
- Colon & Rectal Surgery

Erlanger Health System participates with numerous schools that provide advanced training in the areas of nursing and allied health.

[End Of Responses To Principles Of Tennessee State Health Plan - 2011
Update, pages 5 - 13]

CRITERIA FOR SATELLITE EMERGENCY DEPARTMENT

[From Criteria For Construction, Renovation, Expansion And Replacement Of Health Care
Institutions - Guidelines For Growth, 2000 Edition, page 23]

- 1. Any project that includes the addition of beds, services, or medical equipment will be reviewed under the standards for those specific activities.**

Response

*** Not applicable. ***

2. For relocation or replacement of an existing licensed health care institution:
 - a. The applicant should provide plans which include costs for both renovation and relocation, demonstrating the strengths and weaknesses of each alternative.
 - b. The applicant should demonstrate that there is an acceptable existing or projected future demand for the proposed project.

Response

*** Not applicable. ***

3. For renovation or expansions of an existing licensed health care institution:
 - a. The applicant should demonstrate that there is an acceptable existing demand for the proposed project.

Response

As may be seen from the table below, the combined total of ED visits and urgent care center visits for Sequatchie County is estimated to be 16,356 in CY 2017. In the *Projected Data Chart*, applicant has only estimated 5,000 visits in Year 1 and 5,250 visits in Year 2, which is well below the total number of combined visits for the service area.

<u>Service Line</u>	<u>Sequatchie</u>	=====	<u>Sequatchie</u>	<u>County</u>	<u>Service</u>	<u>Area</u>	=====
	<u>Use Rate</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<i>Total Population - Sequatchie County, TN</i>		14,521	14,747	14,973	15,199	15,425	15,652
Blood and blood-forming organ dzs	0.002702	39	40	40	41	42	42
Circulatory system dzs	0.084548	1,228	1,247	1,266	1,285	1,304	1,323
Complic. pregnancy, childbirth, puerperium	0.012800	186	189	192	195	197	200
Condit originating in the perinatal period	0.001209	18	18	18	18	19	19
Congenital anomalies	0.000569	8	8	9	9	9	9
Digestive system dzs	0.052407	761	773	785	797	808	820
Endo/nutrit/metab dzs and immune disorder	0.015075	219	222	226	229	233	236
Genitourinary system dzs	0.055180	801	814	826	839	851	864
Infectious and parasitic dzs	0.014648	213	216	219	223	226	229
Injury and poisoning	0.217521	3,159	3,208	3,257	3,306	3,355	3,405
Mental disorders	0.015644	227	231	234	238	241	245
Musculoskel sys and connect tiss dzs	0.047216	686	696	707	718	728	739
Neoplasms	0.002275	33	34	34	35	35	36
Nerv system and sense organ dzs	0.070397	1,022	1,038	1,054	1,070	1,086	1,102
Other conditions	0.107090	1,555	1,579	1,603	1,628	1,652	1,676
Respiratory system dzs	0.104743	1,521	1,545	1,568	1,592	1,616	1,639
Skin and subcutaneous tissue dzs	0.031217	453	460	467	474	482	489
Unknown or No Diagnosis	0.000142	2	2	2	2	2	2
<i>Estimated ED Visits</i>		12,131	12,320	12,507	12,699	12,886	13,075
<i>Adopted Urgent Care Center Use Rate</i>		0.209600	0.209600	0.209600	0.209600	0.209600	0.209600
<i>Estimated Urgent Care Center Visits</i>		3,044	3,091	3,138	3,186	3,233	3,281
<i>Estimated Total Emergency / Urgent Care Visits</i>		15,175	15,411	15,645	15,885	16,119	16,356

- b. The applicant should demonstrate that the existing physical plant's condition warrants major renovation or expansion.

Response

** Not applicable. ** However, please note that the facility was previously approved, licensed and operated as a free standing ED.

[End Of Responses To Criteria For Construction, Renovation, Expansion And Replacement Of Health Care Institutions - Guidelines For Growth, 2000 Edition, page 23]

GENERAL QUESTIONS CONCERNING NEED, ECONOMIC FEASIBILITY & CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTHCARE

(I.) NEED

- Describe the relationship of this proposal toward the implementation of the State Health Plan, Tennessee's

Health: Guidelines For Growth.

- (a) Please provide a response to each criterion and standard in Certificate Of Need Categories that are applicable to the proposed project. Do not provide responses to General Criteria and Standards (pages 6-9) here.

Response

This project is consistent with the *Principles Of The Tennessee State Health Plan* as stated in the 2011 update ("Principles"). Applicant has addressed each of the *Principles*.

- (b) Applications that include a Change of Site for a health care institution, provide a response to General Criterion and Standards (4) (a-c).

Response

** Not applicable. **

2. Describe the relationship of this proposal to the applicant facility's long range development plans, if any.

Response

Erlanger Health System currently holds a CON for expansion of the *Erlanger East* campus (No. CN0405-047AE) as well as a CON to convert 30 acute care beds to skilled nursing beds at *Erlanger North Hospital* (No. CN1012-056A). Further, a CON application (No. CN1207-034) is currently pending for *Erlanger Medical Center*, an academic medical center and provider of critical healthcare services, for modification of the adult surgical suites.

The proposed project is consistent with Erlanger's Master Development Plan, initially prepared in 2007, and updated in 2010.

The goal for *Erlanger Health System* is to provide a comprehensive system of care covering a full continuum of services within the broader healthcare delivery system. In this

context, providing access to critical services is an important objective.

2012 SEP 11 AM 9: 51

3. **Identify the proposed service area and justify the reasonableness of that proposed area. Submit a county level map including the State of Tennessee clearly marked to reflect the service area. Please submit maps on 8 ½" x 11" sheets of white paper marked only with ink detectable by a standard photocopier (i.e.-no highlighters, pencils, etc.).**

Response

The service area for *Erlanger Bledsoe Hospital - Satellite ED* is Sequatchie County, Tennessee. The applicant believes that the defined service area is reasonable.

A map showing the service area is attached at the end of this application.

4. **A. Describe the demographics of the population to be served by this proposal.**

Response

Sequatchie County has a current 2012 population of approximately 14,521 persons and is expected to grow to 15,652 by 2017, an increase of 7.8%. By age cohort, most growth is expected in the 65 years and over category at 24.4%. Those over age 65 consume healthcare at a rate as much as four times the rate of those under age 65. Access to essential health services, primary care and emergency care, is vital to all, but particularly to those age 65 years and over.

For Sequatchie County residents, the need for emergency medical services is clear. The county ranks near the bottom of the list in health rankings of 95 counties in Tennessee. The premature death rate, the rate by which people die before the age of 75, at 11,234 per 100,000, is more than double the US rate of 5,496 per 100,000 and nearly 25% higher than the Tennessee overall state rate of 9,093 per 100,000.

The demographic profile of Sequatchie County appears below.

Sequatchie County

2012 SEP 11 AM 9:51

	2012		2017	
	Pop.	%	Pop.	%
Age Group				
0-14	2,929	20.17%	3,116	19.91%
15-44	5,425	37.36%	5,646	36.07%
45-64	3,939	27.13%	4,118	26.31%
65+	2,228	15.34%	2,772	17.71%
Total	14,521	100.00%	15,652	100.00%
Gender				
Male	7,139	49.16%	7,683	49.09%
Female	7,382	50.84%	7,969	50.91%
Total	14,521	100.00%	15,652	100.00%
Racial Composition				
White	13,880	95.59%	14,799	94.55%
Black	21	0.14%	21	0.13%
Asian	45	0.31%	59	0.38%
Two Or More	196	1.35%	261	1.67%
Other	379	2.61%	512	3.27%
Total	14,521	100.00%	15,652	100.00%
Hispanic Ethnicity	535	3.68%	751	4.80%
Education (Age 25 +)				
< H.S.	2,400	24.04%		
High School	5,898	59.07%		
Bachelor's	933	9.34%		
Master's	549	5.50%		
Doctorate	24	0.24%		
Professional Degree	181	1.81%		
Total	9,985	100.00%		
Household Income				
0-24 K	1,919	33.83%	2,012	33.01%
25-49 K	1,854	32.68%	1,951	32.01%
50-99 K	1,410	24.85%	1,562	25.63%
100-149 K	356	6.28%	408	6.69%
150-200 K	51	0.90%	68	1.12%
200 + K	83	1.46%	94	1.54%
Total	5,673	100.00%	6,095	100.00%
Average HH Income	\$47,865		\$49,314	
Median HH Income	\$37,124		\$37,965	
Per Capita Income	\$18,852		\$19,358	

B. The special needs of the service area population, including health disparities, the accessibility to consumers, particularly the elderly, women, racial and ethnic minorities, and low-income groups. Document how the business plans of the facility will take into consideration the special needs of the service area population.

Response

Sequatchie County has a current 2012 population of approximately 14,521 persons and is expected to grow to 15,652 by 2017, an increase of 7.8%. By age cohort, most growth is expected in the 65 years and over category at 24.4%. Those over age 65 consume healthcare at a rate as much as four times the rate of those under age 65. Access to essential health services, primary care and emergency care, is vital to all, but particularly to those age 65 years and over.

For Sequatchie County residents, the need for emergency medical services is clear. The county ranks near the bottom of the list in health rankings of 95 counties in Tennessee. The premature death rate, the rate by which people die before the age of 75, at 11,234 per 100,000 for Sequatchie County. This is more than double the US rate of 5,496 per 100,000 and nearly 25% higher than the overall Tennessee rate of 9,093 per 100,000.

Neighboring Bledsoe County, which has population similar in size to Sequatchie County, is ranked near the top healthiest one-third of counties in the state on premature deaths to those over age 75. Ironically, the population of Bledsoe County has a lower socioeconomic status and is not as well educated as those residents in neighboring Sequatchie County. The key difference between the two counties, residents of Bledsoe County have proximal access to full service emergency medical care at *Erlanger Bledsoe Hospital*, while Sequatchie County residents have neither.

Providing needed emergency medical care to a population of approximately 15,000 persons is very challenging when one considers the cost, inclusive of facilities, manpower and essential equipment. The *Centers for Medicare and Medicaid Services* (CMS) recognizes this difficulty in the same way that it recognizes rural health clinics, federally qualified health centers and critical access hospitals. Special Federal rules and regulations allow these providers to be reimbursed on a cost basis, as there is no other way to provide essential services following traditional reimbursement methods to the target population, without experiencing substantial financial losses.

This was the experience of *Grandview Medical Center* which was unable to sustain the ED. In this respect, *Erlanger Bledsoe Hospital* has sought and received CMS authorization to develop the proposed ED as a satellite, helping to ensure that it would be economically sustainable on the cost based reimbursement methodology. Collaborating with *Sequatchie County Government*

is also vital in helping to ensure that the population will have access to needed emergency medical services.

5. Describe the existing or certified services, including approved but unimplemented CON's, of similar institutions in the service area. Include utilization and/or occupancy trends for each of the most recent three years of data available for this type of project. Be certain to list each institution and its utilization and/or occupancy individually. Inpatient bed projects must include the following data: admissions or discharges, patient days, and occupancy. Other projects should use the most appropriate measures, e.g., cases, procedures, visits, admissions, etc.

Response

There are no similar services in the designated service area.

6. Provide applicable utilization and/or occupancy statistics for your institution for each of the past three (3) years and the projected annual utilization for each of the two (2) years following completion of the project. Additionally, provide the details regarding the methodology used to project utilization. The methodology must include detailed calculations or documentation from referral sources, and identification of all assumptions.

Response

Utilization data for *Erlanger Bledsoe Hospital* is presented below.

**Erlanger Bledsoe Hospital
General Utilization Trends**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	===== Projected Utilization =====					
				<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Admissions - Acute Care	249	244	142	194	194	194	195	195	196
Inpatient Days - Acute Care	797	692	449	572	573	575	576	577	578
Admissions - Swing Bed Unit	74	72	84	78	78	79	79	79	79
Inpatient Days - Swing Bed Unit	987	1,026	2,001	1,518	1,521	1,524	1,527	1,530	1,533
Acute Care - ALOS	3.20	2.84	3.16	2.95	2.95	2.96	2.95	2.96	2.95
Swing Bed Unit - ALOS	13.34	14.25	23.82	19.46	19.50	19.29	19.33	19.37	19.41
ED Visits	4,787	5,110	6,256	5,700	5,711	5,722	5,734	5,745	5,756

The projected utilization is based upon a use rate average calculation for the three (3) year period of 2009, 2010 and 2011. Expected trends could either exceed or be less than this forecast, based on hospital referral patterns, health reform initiatives and/or advances and changes in clinical care standards. The utilization forecast does not include the utilization forecast for the satellite ED in Dunlap, TN, which is the subject of the instant application.

(II.) ECONOMIC FEASIBILITY

1. Provide the cost of the project by completing the Project Costs Chart on the following page. Justify the cost of the project.
 - All projects should have a project cost of at least \$ 3,000 on Line F (minimum CON filing fee). CON filing fee should be calculated from Line D. (See application instructions for filing fee.)
 - The cost of any lease should be based on fair market value or the total amount of lease payments over the initial term of the lease, whichever is greater. Note: This applies to all equipment leases including by procedure or "per click" arrangements. The methodology used to determine the total lease cost for a "per click" arrangement must include, at a minimum, the projected procedures, the "per click" rate and the term of the lease.
 - The cost of fixed and moveable equipment includes, but is not necessarily limited to, maintenance agreements covering the expected useful life of the equipment; federal, state and local taxes and other government assessments; and installation charges, excluding capital

expenditures for physical plant renovation or in-wall shielding, which should be included under construction costs or incorporated in a facility lease.

- For projects that include new construction, modification, and/or renovation; documentation must be provided from a contractor and/or architect that support the estimated construction costs.

Response

The Project Cost Chart has been completed on the next page.

PROJECT COST CHART

A. Construction And Equipment Acquired By Purchase.

1.	Architectural And Engineering Fees	
2.	Legal, Administrative, Consultant Fees (Excluding CON Filing Fee)	
3.	Acquisition Of Site	
4.	Preparation Of Site	
5.	Construction Costs	85,000
6.	Contingency Fund	
7.	Fixed Equipment (Not Included In Construction Contract)	
8.	Moveable Equipment (List all equipment over \$ 50,000)	63,503
9.	Other (Specify) _____	

B. Acquisition By Gift, Donation, Or Lease.

1.	Facility (Inclusive of building and land)	
2.	Building Only _____	533,991
3.	Land Only _____	
4.	Equipment (Specify) _____	1,129,776
5.	Other (Specify) _____	

C. Financing Costs And Fees.

1.	Interim Financing	
2.	Underwriting Costs	
3.	Reserve For One Year's Debt Service	
4.	Other (Specify) _____	

D. Estimated Project Cost (A + B + C) 1,812,270

E. CON Filing Fee 4,077

F. Total Estimated Project Cost (D + E) 1,816,347

2. Identify the funding sources for this project.

a. Please check the applicable item(s) below and briefly summarize how the project will be financed. (Documentation for the type of funding MUST be inserted at the end of the application, in the correct alpha/numeric order and identified as Attachment C, Economic Feasibility-2.)

- ☐ A. Commercial loan -- Letter from lending institution or guarantor stating favorable initial contact, proposed loan amount, expected interest rates, anticipated term of the loan, and any restrictions or conditions.
- ☐ B. Tax - Exempt Bonds -- Copy of preliminary resolution or a letter from the issuing authority stating favorable initial contact and a conditional agreement from an underwriter or investment banker to proceed with the issuance.
- ☐ C. General obligation bonds -- Copy of resolution from issuing authority or minutes from the appropriate meeting.
- ☐ D. Grants -- Notification of intent form for grant application or notice of grant award.
- ☒ E. Cash Reserves - Appropriate documentation from Chief Financial Officer.
- ☐ F. Other - Identify and document funding from all other sources.

Response

The project will be funded through internal cash reserves of *Erlanger Health System*. The CFO letter is attached at the end of the application.

3. Discuss and document the reasonableness of the proposed project costs. If applicable, compare the cost per square foot of construction to similar projects recently approved by the Health Services And Development Agency.

Response

The cosmetic type of renovation involved with this project works out to be \$ 1.83 per SF, significantly less than the other comparable projects recently approved by the Agency.

Centennial Med Ctr - Satellite ED	\$ 258.00 per SF
Horizon Health - Satellite ED	\$ 294.00 per SF
Erlanger Bledsoe - Satellite ED	\$ 1.83 per SF

4. Complete Historical and Projected Data Charts on the following two pages - Do not modify the Charts provided or submit Chart substitutions ! Historical Data Chart represents revenue and expense information for the last three (3) years for which complete information is available for the institution. Projected Data Chart requests information for the two (2) years following the completion of this proposal. Projected Data Chart should reflect revenue and expense projections for the *Proposal Only* (i.e.-if the application is for additional beds, include anticipated revenue from the proposed beds only, not from all beds in the facility).

Response

The *Historical Data Chart* and *Projected Data Chart* have been completed.

5. Please identify the project's average gross charge, average deduction from operating revenue, and average net charge.

Response

Following are the average charge amounts per patient.

Average Gross Charge	\$ 1,536
Average Deduction From Revenue	
Medicare	\$ 1,185
TennCare / Medicaid	\$ 1,188
Private Pay	\$ 907

Average Net Revenue

Medicare	\$ 351
TennCare / Medicaid	\$ 348
Private Pay	\$ 629

HISTORICAL DATA CHART

Give information for the last *three (3)* years for which complete data are available for the facility or agency. The fiscal year begins in July (Month).

2012 SEP 11 AM 9:52

	Year – 2011	Year – 2010	Year – 2009
A. Utilization Data	14,213	9,406	10,355
(Specify Unit Of Measure) <u>Adj. Pt. Days</u>			
B. Revenue From Services To Patients			
1. Inpatient Services	3,204,021	2,670,868	3,375,872
2. Outpatient Services	10,216,746	8,184,707	7,983,913
3. Emergency Services	5,166,811	3,767,844	3,459,687
4. Other Operating Revenue	536,190	509,816	494,677
(Specify) <u>Non-Patient Service Revenue</u>			
Gross Operating Revenue	19,123,768	15,133,235	15,314,149
C. Deductions From Operating Revenue			
1. Contractual Adjustments	7,995,582	7,684,704	7,128,567
2. Provision For Charity Care	896,036	485,928	442,151
3. Provision For Bad Debt	1,761,849	895,128	915,450
Total Deductions	10,653,467	9,065,760	8,486,168
NET OPERATING REVENUE	8,470,301	6,067,475	6,827,981
D. Operating Expenses			
1. Salaries And Wages	3,852,435	3,334,154	3,293,574
2. Physician's Salaries And Wages	925,548	1,058,160	1,067,697
3. Supplies	433,210	479,496	383,470
4. Taxes	0	0	0
5. Depreciation	116,045	139,035	152,760
6. Rent	0	0	0
7. Interest - Other Than Capital	0	0	0
8. Management Fees:			
a. Fees To Affiliates	0	0	0
b. Fees To Non-Affiliates	0	0	0
9. Other Expenses	3,155,977	2,959,589	2,954,055
Total Operating Expenses	8,483,215	7,970,434	7,851,556
E. Other Revenue (Expenses) – Net	-3,171	-95	-119
(Specify) <u>Gain/<Loss> On Assets</u>			
NET OPERATING INCOME (LOSS)	-16,085	-1,903,054	-1,023,694
F. Capital Expenditures			
1. Retirement Of Principal			
2. Interest			
Total Capital Expenditures			
NET OPERATING INCOME (LOSS)			
LESS CAPITAL EXPENDITURES	-16,085	-1,903,054	-1,023,694

PROJECTED DATA CHART

2012 SEP 11 AM 9:52

Give information for the last *three (3)* years for which complete data are available for the facility or agency. The fiscal year begins in July (Month).

	Year 1	Year 2
A. Utilization Data	5,000	5,250
(Specify Unit Of Measure) <u>ED Visits</u>		
B. Revenue From Services To Patients		
1. Inpatient Services		
2. Outpatient Services		
3. Emergency Services	7,680,000	8,463,168
4. Other Operating Revenue		
(Specify) <u>Home Health, POB Rent, etc.</u>		
Gross Operating Revenue	7,680,000	8,463,168
C. Deductions From Operating Revenue		
1. Contractual Adjustments	4,651,777	5,178,250
2. Provision For Charity Care	479,930	534,247
3. Provision For Bad Debt	770,110	857,269
Total Deductions	5,901,817	6,569,766
NET OPERATING REVENUE	1,778,183	1,893,402
D. Operating Expenses		
1. Salaries And Wages	879,228	910,001
2. Physician's Salaries And Wages	552,000	557,520
3. Supplies	116,905	126,678
4. Taxes		
5. Depreciation	29,243	29,423
6. Rent	260,725	283,754
7. Interest - Other Than Capital		
8. Management Fees:		
a. Fees To Affiliates		
b. Fees To Non-Affiliates		
9. Other Expenses	515,150	558,841
Total Operating Expenses	2,353,251	2,466,037
E. Other Revenue (Expenses) – Net		
(Specify) _____		
NET OPERATING INCOME (LOSS)	-575,068	-572,635
F. Capital Expenditures		
1. Retirement Of Principal		
2. Interest		
Total Capital Expenditures		
NET OPERATING INCOME (LOSS)		
LESS CAPITAL EXPENDITURES	-575,068	-572,635

PROJECTED DATA CHART

Give information for the two (2) following the completion of this proposal.

The fiscal year begins in July (Month).2012 OCT 5 AM 10 22
Year 1 Year 2

A.	Utilization Data	5,000	5,250
	(Specify Unit Of Measure) <u>ED Visits (Incl. Downstream Rev.)</u>		
B.	Revenue From Services To Patients		
1.	Inpatient Services	5,010,000	5,788,935
2.	Outpatient Services		
3.	Emergency Services	7,680,000	8,463,168
4.	Other Operating Revenue		
	(Specify) <u>Home Health, POB Rent, etc.</u>		
	Gross Operating Revenue	12,690,000	14,252,103
C.	Deductions From Operating Revenue		
1.	Contractual Adjustments	7,185,726	8,180,441
2.	Provision For Charity Care	741,361	843,987
3.	Provision For Bad Debt	1,189,610	1,354,287
	Total Deductions	9,116,697	10,378,715
	NET OPERATING REVENUE	3,573,303	3,873,388
D.	Operating Expenses		
1.	Salaries And Wages	1,402,485	1,482,442
2.	Physician's Salaries And Wages	861,904	873,864
3.	Supplies	193,127	213,326
4.	Taxes	-	-
5.	Depreciation	48,309	49,245
6.	Rent	260,725	283,754
7.	Interest - Other Than Capital	-	-
8.	Management Fees:		
a.	Fees To Affiliates	-	-
b.	Fees To Non-Affiliates	-	-
9.	Other Expenses	806,953	936,436
	Total Operating Expenses	3,573,503	3,839,066
E.	Other Revenue (Expenses) - Net	-	-
	(Specify) _____		
	NET OPERATING INCOME (LOSS)	(200)	34,322
F.	Capital Expenditures		
1.	Retirement Of Principal	-	-
2.	Interest	-	-
	Total Capital Expenditures	-	-
	NET OPERATING INCOME (LOSS)		
	LESS CAPITAL EXPENDITURES	(200)	34,322

PROJECTED DATA CHART

Give information for the two (2) following the completion of this proposal.

The fiscal year begins in July (Month).

2012 OCT 5 AM 10 22

	Year 1	Year 2
A. Utilization Data	19,119	19,526
(Specify Unit Of Measure) <u>Adj. Pt. Days</u>		
B. Revenue From Services To Patients		
1. Inpatient Services	4,378,168	4,669,850
2. Outpatient Services	10,705,770	11,330,473
3. Emergency Services	13,094,120	14,193,213
4. Other Operating Revenue	583,102	589,425
(Specify) _____		
Gross Operating Revenue	28,761,160	30,782,961
C. Deductions From Operating Revenue		
1. Contractual Adjustments	14,952,884	16,139,688
2. Provision For Charity Care	1,530,829	1,652,544
3. Provision For Bad Debt	2,448,163	2,642,964
Total Deductions	18,931,876	20,435,196
NET OPERATING REVENUE	9,829,284	10,347,765
D. Operating Expenses		
1. Salaries And Wages	5,010,179	5,267,916
2. Physician's Salaries And Wages	1,395,950	1,447,303
3. Supplies	787,665	833,211
4. Taxes	-	-
5. Depreciation	145,701	147,144
6. Rent	427,759	458,762
7. Interest - Other Than Capital	-	-
8. Management Fees:		
a. Fees To Affiliates	-	-
b. Fees To Non-Affiliates	-	-
9. Other Expenses	2,857,204	3,021,598
Total Operating Expenses	10,624,458	11,175,934
E. Other Revenue (Expenses) – Net	-	-
(Specify) _____		
NET OPERATING INCOME (LOSS)	(795,174)	(828,169)
F. Capital Expenditures		
1. Retirement Of Principal	-	-
2. Interest	-	-
Total Capital Expenditures	-	-
NET OPERATING INCOME (LOSS)	(795,174)	(828,169)
LESS CAPITAL EXPENDITURES	(795,174)	(828,169)

6. A. Please provide the current and proposed charge schedules for the proposal. Discuss any adjustment to current charges of projects that will result from the implementation of the proposal. Additionally, describe the anticipated revenue from the proposed project and the impact on existing patient charges.

Response

Please see the list of average patient charges by THA service line for *Erlanger Bledsoe Hospital* and other select acute care providers, for calendar year 2010, attached at the end of this CON application. Applicant does revise its patient charge structure on a periodic basis (i.e.- usually annually) during the budget cycle each fiscal year. However, applicant does not anticipate any changes to existing patient charges specifically as a result of this project.

- B. Compare the proposed charges to those of other facilities in the service area/adjoining service areas, or to proposed charges of projects recently approved by the Health Services And Development Agency. If applicable, compare the proposed charges of the project to the current Medicare allowable fee schedule by common procedure terminology (CPT) code(s).

Response

Please see the list below of average patient charges by THA service line for *Erlanger Bledsoe Hospital* and other similar acute care providers, for calendar year 2010.

**Comparative Analysis Of Inpatient Average Charge Per Admission
For The CY 2010**

	<u>Erlanger Bledsoe</u>	<u>Copper Basin Med Ctr</u>	<u>Patients' Choice Med Ctr</u>	<u>Rhea Med Ctr</u>	<u>Emerald-Hodgson Hospital</u>
ADVERSE EFFECTS	7,020	7,008	5,609	5,629	8,408
BACK & SPINE	4,487	5,125	2,037	8,121	15,036
BURNS				4,534	
CARDIAC SURGERY					
DERMATOLOGY	4,569	6,078	6,006	6,458	11,095
ELECTROPHYSIOLOGY/DEVICES					30,566
ENDOCRINOLOGY	5,176	6,454	4,269	6,251	10,536
GASTROENTEROLOGY	5,030	8,731	5,453	7,563	18,169
GENERAL CARDIOLOGY	4,946	10,286	6,318	7,184	13,166
GENERAL SURGERY		4,976	3,649	11,637	14,789
GYNECOLOGY	11,243	9,493	1,902	12,451	
HEMATOLOGY	6,027	15,529	4,877	8,900	13,513
HIV INFECTION					15,283
INFECTIOUS DISEASES		8,289	6,874	9,274	19,789
INVASIVE CARDIOLOGY					
NEONATOLOGY					
NEPHROLOGY	6,552	8,550	5,130	6,625	13,323
NEUROLOGY	9,201	10,595	4,536	9,691	13,541
NEUROSURGERY					
OBSTETRICS		5,746			
ONCOLOGY		8,308	3,200	6,735	13,126
OPHTHALMOLOGY		3,808	2,923	3,239	
ORAL SURGERY					
ORTHOPEDICS	14,608	12,982	3,128	9,599	18,010
OTHER	8,177			15,400	
OTOLARYNGOLOGY	1,978	3,202	5,137	6,098	10,171
PLASTIC SURGERY		26,475	6,342	9,953	25,621
PSYCHIATRY		5,998	2,941	5,528	8,999
PULMONARY MEDICINE	6,040	10,406	6,465	9,196	15,525
REHABILITATION				4,198	
RHEUMATOLOGY		3,006			7,640
SIGNS & SYMPTOMS	3,134	6,246	3,838	5,438	12,210
SUBSTANCE ABUSE	5,070	4,716	6,633	3,337	13,895
THORACIC SURGERY	12,089	2,672	2,858	9,054	28,356
TRANSPLANT SURGERY					
UROLOGY	9,569	4,694		8,072	11,170
VASCULAR DISEASES		9,334	5,914	6,956	14,814
VASCULAR SURGERY				8,763	
<i>Total</i>	5,997	8,987	5,677	8,201	14,543

As may be seen from the schedule, average charges per inpatient admission at *Erlanger Bledsoe Hospital* are comparable with those of similar acute care hospitals in Tennessee.

7. Discuss how projected utilization rates will be sufficient to maintain cost effectiveness.

Response

As may be seen from the table below, the combined total of ED visits and urgent care center visits for Sequatchie County is estimated to be 16,356 in CY 2017. In the *Projected Data Chart*, applicant has only estimated 5,000 visits in Year 1 and 5,250 visits in Year 2, which is well below the total number of combined visits for the service area.

Applicant has been conservative in estimating the number of ED visits which are anticipated to utilize the *Erlanger Bledsoe Hospital - Satellite ED*. As such, economic efficiencies will be realized.

<u>Service Line</u>	<u>Sequatchie Use Rate</u>	===== Sequatchie County Service Area =====					
		<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<i>Total Population - Sequatchie County, TN</i>		14,521	14,747	14,973	15,199	15,425	15,652
Blood and blood-forming organ dzs	0.002702	39	40	40	41	42	42
Circulatory system dzs	0.084548	1,228	1,247	1,266	1,285	1,304	1,323
Complic. pregnancy, childbirth, puerperium	0.012800	186	189	192	195	197	200
Condit originating in the perinatal period	0.001209	18	18	18	18	19	19
Congenital anomalies	0.000569	8	8	9	9	9	9
Digestive system dzs	0.052407	761	773	785	797	808	820
Endo/nutri/metab dzs and immune disorder	0.015075	219	222	226	229	233	236
Genitourinary system dzs	0.055180	801	814	826	839	851	864
Infectious and parasitic dzs	0.014648	213	216	219	223	226	229
Injury and poisoning	0.217521	3,159	3,208	3,257	3,306	3,355	3,405
Mental disorders	0.015644	227	231	234	238	241	245
Musculoskel sys and connect tiss dzs	0.047216	686	696	707	718	728	739
Neoplasms	0.002275	33	34	34	35	35	36
Nerv system and sense organ dzs	0.070397	1,022	1,038	1,054	1,070	1,086	1,102
Other conditions	0.107090	1,555	1,579	1,603	1,628	1,652	1,676
Respiratory system dzs	0.104743	1,521	1,545	1,568	1,592	1,616	1,639
Skin and subcutaneous tissue dzs	0.031217	453	460	467	474	482	489
Unknown or No Diagnosis	0.000142	2	2	2	2	2	2
<i>Estimated ED Visits</i>		12,131	12,320	12,507	12,699	12,886	13,075
<i>Adopted Urgent Care Center Use Rate</i>		0.209600	0.209600	0.209600	0.209600	0.209600	0.209600
<i>Estimated Urgent Care Center Visits</i>		3,044	3,091	3,138	3,186	3,233	3,281
<i>Estimated Total Emergency / Urgent Care Visits</i>		15,175	15,411	15,645	15,885	16,119	16,356

Further, *Erlanger Bledsoe Hospital - Satellite ED* has already been approved by the *Centers For Medicare and Medicaid Services* as a cost based unit of *Erlanger Bledsoe Hospital*. With reimbursement tied to cost, sustainability can be assured. Also, *Erlanger Health System* has sufficient cash flow to sustain operation of the satellite ED.

8. **Discuss how financial viability will be ensured within two (2) years; and demonstrate the availability of sufficient cash flow until financial viability is achieved.**

Response

Erlanger Bledsoe Hospital - Satellite ED has already been approved by the Centers For Medicare and Medicaid Services as a cost based unit of *Erlanger Bledsoe Hospital*. With reimbursement tied to cost, sustainability can be assured. Also, *Erlanger Health System* has sufficient cash flow to sustain operation of the satellite ED.

9. Discuss the project's participation in state and federal revenue programs including a description of the extent to which Medicare, TennCare/Medicaid, and medically indigent patients will be served by the project. In addition, report the estimated dollar amount of revenue and percentage of total project revenue anticipated from each of TennCare, Medicare, or other state and federal sources for the proposal's first year of operation.

Response

Erlanger Bledsoe Hospital, as a member facility of *Erlanger Health System*, currently participates in the following Federal / State programs.

Federal	Medicare
State	BlueCare
	TennCare Select
	United Healthcare Community Plan
	(Children's Medical Services under age 21
	& High Risk Maternity Only)
	AmeriGroup Community Care

Anticipated revenue (gross charges) from Federal and State sources during year 1 of the project is as follows.

Medicare	\$ 1,787,904
TennCare	\$ 2,978,304

	\$ 4,766,208
	=====

10. Provide copies of the balance sheet and income statement from the most recent reporting period of the institution and the most recent audited financial

statements with accompanying notes, if applicable. For new projects, provide financial information for the corporation, partnership, or principal parties involved with the project. Copies must be inserted at the end of the application, in the correct alpha-numeric order and labeled as Attachment C, Economic Feasibility-10.

Response

Copies of the financial reports for Erlanger Bledsoe Hospital are attached at the end of this CON application. Please note that the financial statements for Erlanger Bledsoe Hospital are not reviewed by an independent auditor.

Balance Sheet & Income Statement	May 31, 2012
Balance Sheet & Income Statement	June 30, 2011

11. Describe all alternatives to this project which were considered and discuss the advantages and disadvantages of each alternative including but not limited to,

A. A discussion regarding the availability of less costly, more effective, and/or more efficient alternative methods of providing the benefits intended by the proposal. If developments of such alternatives is not practicable, the applicant should justify why not; including reasons as to why they were rejected.

Response

Significant effort has gone into the evaluation of alternatives in development of this proposal, as follows.

- 1.) Establish a satellite ED as a provider based extension of Erlanger medical Center.
- 2.) Establish a satellite ED as a provider based extension of Erlanger Bledsoe Hospital.
- 3.) Establish a provider based rural health clinic operated as a department of Erlanger Bledsoe Hospital.

Upon careful review of all options, the only viable option for provision of emergency services to Sequatchie County

is to establish a satellite ED as a provider based extension of *Erlanger Bledsoe Hospital* due to the cost based reimbursement for critical access hospitals.

- B. The applicant should document that consideration has been given to alternatives to new construction, e.g., modernization or sharing arrangements. It should be documented that superior alternatives have been implemented to the maximum extent practicable.

Response

There will not be any new construction associated with this project. There will be minimal construction associated with a "cosmetic" renovation of the leased premises. Other than the proposal embodied with this CON application, we are not aware of other approaches that would have a lower cost, or be more effective.

(III.) CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE

1. List all health care providers (e.g., hospitals, nursing homes, home care organizations, etc.), managed care organizations, alliances, and/or networks with which the applicant currently has or plans to have contractual and/or working relationships, e.g., transfer agreements, contractual agreements for health services.

Response

The most significant relationship between this proposal and the existing healthcare system is that it will be part of an existing health system and enhance *Erlanger Health System's* ability to integrate its services within the regional service area as the safety net provider, trauma center and region's only academic medical center. More than 90 hospitals and other providers in the four (4) state area currently refer patients to Erlanger because of the depth and breadth of its programs and services. By providing these services regardless of a patient's ability to pay, the regional healthcare delivery system is

positively impacted by the services envisioned in this CON application. 2012 SEP 1 AM 9:52

By providing these services regardless of a patient's ability to pay, the regional healthcare delivery system is positively impacted by the services envisioned in the instant application.

The applicant currently has transfer arrangements with the following hospitals which are owned by *Erlanger Health System*.

- Erlanger Medical Center
- Erlanger North Hospital
- T. C. Thompson Children's Hospital
- Erlanger East Hospital

2. Describe the positive and / or negative effects of the proposal on the health care system. Please be sure to discuss any instances of duplication or competition arising from your proposal including a description of the effect the proposal will have on the utilization rates of existing providers in the service area of the project.

Response

The effects of this proposal will be positive for the healthcare system because it will deliver the most appropriate level of care for those who are in need of essential emergency services regardless of ability to pay. By providing these services, the regional healthcare delivery system is positively impacted by the services proposed in this CON application.

3. Provide the current and/or anticipated staffing pattern for all employees providing patient care for the project. This can be reported using FTE's for these positions. Additionally, please compare the clinical staff salaries in the proposal to prevailing wage patterns in the service area as published by the *Tennessee Dept. Of Labor & Workforce Development* and/or other documented sources.

Response

Staffing for the satellite ED is anticipated to be as follows.

	<u>FTE's</u>
Emergency Dept. Manager	1.0
Registered Nurse	4.6
Medical Technologist	3.0
Pharmacy Technician	0.2
Radiologic Technician	3.0
Admission Clerk	2.3
Housekeeper	1.5
Maintenance Technician	0.5

Total	16.1

The comparison of prevailing salary patterns in the healthcare labor marketplace appears below. Please note that *Erlanger Health System* is on a standard work week of 37.5 hours instead of the traditional 40 hour work week. The following patient care positions are appropriate for comparison under this criterion.

Comparison Of Staff Salaries With Prevailing Wage Patterns

<u>Occupation</u>	<u>MSA Hourly Rate</u>	<u>EHS Mid Point</u>
Emergency Dept. Manager	\$35.30	\$30.99
Registered Nurse	\$26.10	\$23.40
Medical Technologist	\$18.45	\$22.06
Pharmacy Technician	\$11.80	\$14.00
Radiologic Technician	\$25.10	\$22.06
Admission Clerk	\$8.80	\$12.11
Housekeeper	\$8.55	\$9.12
Maintenance Technician	\$14.00	\$15.07

4. Discuss the availability of and accessibility to human resources required by the proposal, including adequate professional staff, as per the Dept. Of Health, the Dept. Of Mental Health & Developmental Disabilities, and/or the Division of Mental Retardation Services licensing requirements.

Response

Erlanger Bledsoe Hospital, as a member facility of Erlanger Health System, has established strong long term relationships with the region's colleges, universities and clinical programs. Erlanger provides clinical sites for internships and rotation programs in nursing, radiology, respiratory and pharmacy, to name a few. A number of regional universities offer Bachelor degree programs in nursing and physical therapy. Locally, two year degrees are available in many clinical allied health areas with additional programs offering advanced technical training in Radiological Imaging such as Nuclear Medicine, Diagnostic Ultrasonography, etc.

Further, affiliation with the University of Tennessee - College of Medicine includes training of senior medical students on clinical rotation as well as graduate medical education for training of residents and advanced fellowships in various specialties, as outlined below.

Residency Programs

- Emergency Medicine
- Family Medicine
- Internal Medicine
- Obstetrics & Gynecology
- Orthopedic Surgery
- Pediatrics
- Plastic Surgery
- Surgery
- Transitional Year

Fellowship Programs

- Geriatrics
- Hospice & Palliative Care
- Orthopedic Surgery - Traumatology
- Surgical Critical Care
- Vascular Surgery
- Colon & Rectal Surgery

Erlanger Health System participates with numerous schools that provide advanced training in the areas of nursing and allied health. These relationships will help to ensure a sufficient supply of required staff for the proposed project.

5. **Verify that the applicant has reviewed and understands all licensing certification as required by the State of Tennessee for medical/clinical staff. These include, without limitation, regulations concerning**

physician supervision, credentialing, admission privileges, quality assurance policies and programs, utilization review policies and programs, record keeping, and staff education.

Response

The Applicant has reviewed and intends to comply with all licensing and certification requirements imposed upon it by applicable statutes and regulations.

6. **Discuss your health care institution's participation in the training of students in the areas of medicine, nursing, social work, etc. (e.g., internships, residencies, etc.).**

Response

Erlanger Bledsoe Hospital, as a member facility of *Erlanger Health System*, has established strong long term relationships with the region's colleges, universities and clinical programs. Erlanger provides clinical sites for internships and rotation programs in nursing, radiology, respiratory and pharmacy, to name a few. A number of regional universities offer Bachelor degree programs in nursing and physical therapy. Locally, two year degrees are available in many clinical allied health areas with additional programs offering advanced technical training in Radiological Imaging such as Nuclear Medicine, Diagnostic Ultrasonography, etc.

Further, affiliation with the *University of Tennessee - College of Medicine* includes training of senior medical students on clinical rotation as well as graduate medical education for training of residents and advanced fellowships in various specialties, as outlined below.

Residency Programs

Emergency Medicine
Family Medicine
Internal Medicine
Obstetrics & Gynecology
Orthopedic Surgery
Pediatrics
Plastic Surgery
Surgery
Transitional Year

Fellowship Programs

Geriatrics
Hospice & Palliative Care
Orthopedic Surgery - Traumatology
Surgical Critical Care
Vascular Surgery
Colon & Rectal Surgery

Erlanger Health System participates with numerous schools that provide advanced training in the areas of nursing and allied health. These relationships will help to ensure a sufficient supply of required staff for the proposed project.

7. (a) Please verify, as applicable, that the applicant has reviewed and understands the licensure requirements of the Dept. Of Health, the Dept. Of Mental Health & Developmental Disabilities, the Division of Mental Retardation Services, and/or any applicable Medicare requirements.

Response

The Applicant has reviewed and intends to comply with all licensing and certification requirements imposed by applicable statutes and regulations.

(b) Provide the name of the entity from which the applicant has received or will receive licensure, certification, and / or accreditation.

Licensure: State of Tennessee, Dept. of Health

Accreditation: The Joint Commission

(c) If an existing institution, please describe the Current standing with any licensing, certifying, or accrediting agency or commission. Provide a copy of the current license of the facility.

Response

Erlanger Bledsoe Hospital continuously strives to comply with applicable regulations and make needed changes where

deficiencies may arise to ensure full compliance. A copy of the current license from the Tennessee Dept. of Health is attached at the end of this CON application.

- (d) For existing licensed providers, document that all deficiencies (if any) cited in the last licensure certification and inspection have been addressed through an approved plan of correction. Please include a copy of the most recent licensure/certification inspection with an approved plan of correction.

Response

A copy of the most recent licensure/certification survey report with an approved plan of correction is attached at the end of this CON application.

8. Document and explain any final orders or judgments entered in any state or country by a licensing agency or court against professional licenses held by the applicant or any entities or persons with more than a 5 % ownership interest in the applicant. Such information is to be provided for licenses regardless of whether such license is currently held.

Response

*** Not Applicable. ***

9. Identify and explain any final civil or criminal judgments for fraud or theft against any person or entity with more than a 5 % ownership interest in the project.

Response

*** Not Applicable. ***

10. If the proposal is approved, please discuss whether the applicant will provide the Tennessee Health Services And Development Agency and/or the reviewing agency information concerning the number of patients

treated, the number and type of procedures performed,
and other data as required.

Response

Applicant will provide the *Health Services & Development* Agency with appropriate information in consideration of this CON application.

PROOF OF PUBLICATION

2012 SEP 11 AM 9:52

Attach the full page of the newspaper in which the notice of intent appeared with the mast and dateline intact or submit a publication affidavit from the newspaper as proof of the publication of the letter of intent.

Attached is a copy of the *Letter Of Intent* which was filed with the *Tennessee Health Services & Development Agency* on September 6, 2012. The original publication affidavit is also attached.

DEVELOPMENT SCHEDULE

Tennessee Code Annotated § 68-11-1609(c) provides that a Certificate of Need is valid for a period not to exceed three (3) years (for hospital projects) or two (2) years (for all other projects) from the date of its issuance and after such time shall expire; provided, that the Agency may, in granting the Certificate of Need, allow longer periods of validity for Certificates of Need for cause shown. Subsequent to granting a Certificate of Need, the Agency may extend a Certificate of Need for a period upon application and good cause shown, accompanied by a non-refundable reasonable filing fee, as prescribed by rule. A Certificate of Need which has been extended shall expire at the end of the extended time period. The decision whether to grant such an extension is within the sole discretion of the Agency, and is not subject to review, reconsideration, or appeal.

1. Please complete the Project Completion Forecast Chart on the next page. If the project will be completed in multiple phases, please identify the anticipated completion date for each phase.

Response

The *Project Completion Forecast Chart* has been completed and appears on the following page.

2. If the response to the preceding question indicates that the applicant does not anticipate completing the project within the period of validity as defined in the preceding paragraph, please state below any request for an extended schedule and document the "good cause" for such an extension.

Response

** Not Applicable. **

PROJECT COMPLETION FORECAST CHART

2012 SEP 11 AM 9: 52

Enter the Agency projected Initial Decision Date, as published in Rule 68-11-1609(c): Dec. 12, 2012

Assuming the CON approval becomes the final Agency action on that date; indicate the number of days from the above agency decision date to each phase of the completion forecast.

<u>PHASE</u>	<u>Days Required</u>	<u>Anticipated Date (MONTH / YEAR)</u>
1. Architectural and engineering contract signed.	<u>N / A</u>	<u> </u>
2. Construction documents approved by the <i>Tennessee Dept. Of Health.</i>	<u>N / A</u>	<u> </u>
3. Construction contract signed.	<u>N / A</u>	<u> </u>
4. Building permit secured.	<u>N / A</u>	<u> </u>
5. Site preparation completed.	<u>N / A</u>	<u> </u>
6. Building construction commenced.	<u>7</u>	<u>Dec. 19, 2012</u>
7. Construction 40 % complete.	<u>30</u>	<u>Jan. 19, 2013</u>
8. Construction 80 % complete.	<u>30</u>	<u>Feb. 19, 2013</u>
9. Construction 100 % complete (approved for occupancy.	<u>15</u>	<u>Mar. 4, 2013</u>
10. *Issuance of license.	<u>10</u>	<u>Mar. 14, 2013</u>
11. *Initiation of service.	<u>10</u>	<u>Mar. 24, 2013</u>
12. Final Architectural Certification Of Payment.	<u>N / A</u>	<u> </u>
13. Final Project Report Form (HF0055).	<u>30</u>	<u>Apr. 20, 2013</u>

(*) For projects that do NOT involve construction or renovation, please complete items 10 and 11 only.


NOTE – If litigation occurs, the completion forecast will be adjusted at the time of the final determination to reflect the actual issue date.

A F F I D A V I T


STATE OF TENNESSEE

COUNTY OF HAMILTON

Joseph M. Winick, being first duly sworn, says that he / she is the applicant named in this application or his / her / it's lawful agent, that this project will be completed in accordance with the application, that the applicant has read the directions to this application, the Rules of the Health Services & Development Agency, and T.C.A. § 68-11-1601, et seq, and that the responses to this application or any other questions deemed appropriate by the Health Services & Development Agency are true and complete.


SIGNATURE

SWORN to and subscribed before me this 12 of September, 2012, a Notary Public in and for the
Month Year
State of Tennessee, County of Hamilton.


NOTARY PUBLIC

My commission expires May 27, 2013.
(Month / Day)



TABLE OF ATTACHMENTS

** NOTE - The attachments are paginated and the page number begins with "A". The page number appears in the upper right hand corner of the page.

<u>Description</u>	<u>Page No.</u>
HSDA - Letter Of Intent	A-1
HSDA - Publication Of Intent	A-2
Secretary Of State Certificate	A-4
Enabling Legislation	A-5
Letter Of Intent - Erlanger / Sequatchie County	A-22
Copy Of 1993 CON No. CN9306-042A	A-25
Copy Of 1994 Occupancy Letter	A-28
CMS Letter Approving Satellite ED	A-29
Grant Letter - BrightBridge	A-29.1
Letter From Tennessee Dept. of Economic & Community Development	A-30
Grant Letter - Appalachian Regional Commission	A-31
Erlanger Bledsoe - Satellite ED Plot Plan	A-33
Erlanger Bledsoe - Satellite ED Floor Plans	A-34
Erlanger Bledsoe - Satellite ED Service Area	A-36
CFO Letter	A-37
Erlanger Bledsoe - Financial Statements	A-38
Erlanger Bledsoe Hospital License	A-44
Erlanger Bledsoe Hospital State Licensure Survey	A-45

ATTACHMENTS

**LETTER OF INTENT
TENNESSEE HEALTH SERVICES & DEVELOPMENT AGENCY**

2012 SEP 11 AM 9: 52

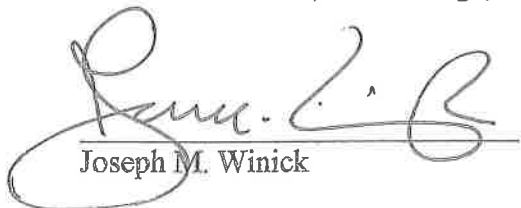
The Publication of Intent is to be published in the Chattanooga Times Free Press, which is a newspaper of general circulation in Hamilton County, Tennessee, on or before July 10, 2012, for one day.

This is to provide official notice to the Health Services & Development Agency and all interested parties, in accordance with T.C.A. §68-11-1601 *et. seq.*, and the Rules of the Health Services & Development Agency, that Erlanger Bledsoe Hospital, owned by the Chattanooga-Hamilton County Hospital Authority D/B/A Erlanger Health System, with an ownership type of governmental, and to be managed by itself, intends to file an application for a Certificate of Need for initiation of service and operation of a satellite Emergency Department. No other health care services will be initiated or discontinued.

The facility and equipment will be located at 16931 Rankin Avenue, Dunlap, Sequatchie County, Tennessee 37327. The total project cost is estimated to be \$ 151,513.00.

The anticipated date of filing the application is September 11, 2012.

The contact person for this project is Joseph M. Winick, Sr. Vice President, Erlanger Health System, 975 East 3rd Street, Chattanooga, Tennessee 37403, and by phone at (423) 778-3211.



Joseph M. Winick

Sept. 6, 2012

Date:

Joseph.Winick@erlanger.org

E-Mail:

The Letter Of Intent must be filed in triplicate and received between the first and the tenth day of the month. If the last day for filing is a Saturday, Sunday or State Holiday, filing must occur on the preceding business day. File this form at the following address:

Health Services & Development Agency
Andrew Jackson Building
500 Deaderick Street, Suite 850
Nashville, Tennessee 37243

The published Letter Of Intent must contain the following statement pursuant to T.C.A. §68-11-1607(c)(1): (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

Public Notices

NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED

This is to provide official notice to the Health Services & Development Agency and all interested parties, in accordance with T.C.A. §68-11-1601 *et. seq.*, and the Rules of the Health Services & Development Agency, that Erlanger Bledsoe Hospital, owned by the Chattanooga-Hamilton County Hospital Authority D/B/A Erlanger Health System, with an ownership type of governmental, and to be managed by itself, intends to file an application for a Certificate of Need for initiation of service and operation of a Satellite Emergency Department. No other health care services will be initiated or discontinued.

The facility and equipment will be located at 16931 Rankin Avenue, Dunlap, Sequatchie County, Tennessee 37327. The total project cost is estimated to be \$151,513.00.

The anticipated date of filing the application is September 11, 2012.

The contact person for this project is Joseph M. Winick, Sr. Vice President, Erlanger Health System, 975 East 3rd Street, Chattanooga, Tennessee 37403, and by phone at (423) 778-3211.

Upon written request by interested parties, a local Fact-Finding public hearing shall be conducted. Written requests for hearing should be sent to:

Health Services & Development Agency
Andrew Jackson Building
500 Deaderick Street, Suite 850
Nashville, Tennessee 37243

Pursuant to T.C.A. § 68-11-1607(c)(1): (A) Any health care institution wishing to oppose a Certificate Of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

This is to certify that I, Amy S. Hale, published the attached notice
 in The Dunlap Tribune, a newspaper published in Sequatchie County, Tennessee,
 for 1 consecutive week, beginning the 6TH day of SEPTEMBER, 2012,
 as required by law.

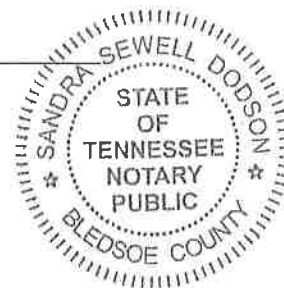
This 6TH day of SEPTEMBER, 2012.

Amy S. Hale
 Publisher

Sworn and subscribed to before me this 6TH day of SEPTEMBER, 2012.

Sandra Sewell Dodson
 Notary Public

My commission expires: 10-26-13



NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED

This is to provide official notice to the Health Services & Development Agency and all interested parties, in accordance with T.C.A. §68-11-1601 et. seq., and the Rules of the Health Services & Development Agency, that Erlanger Bledsoe Hospital, owned by the Chattanooga-Hamilton County Hospital Authority D/B/A Erlanger Health System, with an ownership type of governmental, and to be managed by itself, intends to file an application for a Certificate of Need for initiation of service and operation of a Satellite Emergency Department. No other health care services will be initiated or discontinued.

The facility and equipment will be located at 16931 Rankin Avenue, Dunlap, Sequatchie County, Tennessee 37327. The total project cost is estimated to be \$151,513.00.

The anticipated date of filing the application is September 11, 2012.

The contact person for this project is Joseph M. Winick, Sr. Vice President, Erlanger Health System, 975 East 3rd Street, Chattanooga, Tennessee 37403, and by phone at (423) 778-3211.

Upon written request by interested parties, a local Fact-Finding public hearing shall be conducted. Written requests for hearing should be sent to:

Health Services & Development Agency
 Andrew Jackson Building
 500 Deaderick Street, Suite 850
 Nashville, Tennessee 37243

Pursuant to T.C.A. § 68-11-1607(c)(1): (A) Any health care institution wishing to oppose a Certificate Of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

STATE OF TENNESSEE
HEALTH FACILITIES COMMISSION

Page A-25



Certificate of Need CN9306-042A is hereby granted under the provisions of
T.C.A. §68-11-101, *et seq.*, and the rules and regulations issued thereunder by this Commission

to
Sequatchie County
c/o Sequatchie County Executive
P.O. Box 595
Dunlap, TN 37327

or
S.P. Acquisition Corporation
d/b/a Sequatchie County Outpatient Health Care Center

This Certificate is issued for the development of a satellite emergency care and
outpatient diagnostic center providing 24-hour emergency services; primary
outpatient services, including x-ray, ultrasound, EKG, and physical therapy; a
base for operation of the county ambulance service; and two (2) physician offices

in the premises located at 723 Rankin Avenue, Dunlap (Sequatchie County),
Tennessee 37327

or an estimated project cost of \$ 2,182,000.00

The Expiration Date for this Certificate of Need is

December 1, 1995

or upon completion of the action for which the Certificate of Need was granted, whichever occurs first. After
the effective date, this Certificate of Need is null and void.

Date Approved September 22, 1993

Date Issued November 1, 1993

Dean Edwards
Chairman

Linda B. Pomeroy
Secretary



STATE OF TENNESSEE
HEALTH FACILITIES COMMISSION

500 James Robertson Parkway
Suite 760
Nashville, Tennessee 37219
741-2364

September 30, 1993

Mr. John Wellborn, Vice President
The Centre for Health Facilities Planning
4400 Harding Road
Suite 204
Nashville, TN 37205

RE: Certificate of Need Application #CN9306-042
Sequatchie County Outpatient Health Care Center

Dear Mr. Wellborn:

On September 22, 1993, the Tennessee Health Facilities Commission meeting in regular session considered your application for the development of a satellite emergency care and outpatient diagnostic center providing 24-hour emergency services; primary outpatient services, including X-ray, ultrasound, EKG, and physical therapy; a base for operation of the county ambulance service; and two (2) physician offices.

This is to advise you that the Commission voted to approve a Certificate of Need for the above-referenced project. This decision was reached following consideration of the criteria in T.C.A., Section 68-11-108(d) and Commission Rules, the applicable guidelines in the State Health Plan, the written report of the Tennessee Department Health/Office of Health Policy, and all evidence presented on the application.

In making their decision, the Commission made the following findings: The application met the three (3) statutory criteria as indicated below.

Need--The services to be offered were needed in the rural community to be served.

Economic Feasibility--Costs and funding appeared reasonable and adequate.

Contribution to the Orderly Development of Health Care--The project would contribute to the orderly development of the health care in the area.

In accordance with T.C.A., Section 68-11-109(a)(1993 Supp), the applicant or any person who filed directly with the Commission a prior objection to the granting of a Certificate of Need may petition the Commission in writing for a hearing. To be timely filed, the petition must be filed within thirty (30) days from the date of the Commission's meeting at which the challenged action was taken. You are encouraged to review T.C.A., Section 68-11-109 and the Commission's Rules so that you may fully understand your rights.

2012 SEP 11 AM 9:52

Mr. John Wellborn, Vice President
September 30, 1993 Page 2

~~Your Certificate will be issued to you within the next thirty (30) days and transmitted~~
under separate letter. Please note that the Certificate has an expiration date on its
face, after which time the Certificate is null and void. This expiration date is strictly
enforced, and the certification period can only be extended by the Commission upon
written application and for good cause shown, as defined by Commission Rules.

If you have questions or require additional information, please feel free to contact this
office.

Sincerely,



Linda B. Penny
Executive Director

LBP:ALH

cc: Dr. Wendelyn Inman
Ann Dodd
Greg Griffith



STATE OF TENNESSEE
BUREAU OF MANPOWER AND FACILITIES
DIVISION OF HEALTH CARE FACILITIES
283 PLUS PARK BLVD.
DEPARTMENT OF HEALTH
NASHVILLE, TENNESSEE 37247-0530

October 31, 1994

Greg Griffith, Administrator
South Pittsburg Municipal Hospital
210 West 12th Street
South Pittsburg, TN 37380


RE: North Valley Medical Center (Sequatchie County)

Dear Mr. Griffith:

Occupancy approval is hereby granted for the satellite emergency care and outpatient diagnostic facility in Dunlap, Tennessee, effective October 24, 1994 and granted under Certificate of Need CN 9306-042A, approved by the Board for Licensing Health Care Facilities June 15, 1994. This approval does not effect the licensed bed complement of the hospital.

Please contact me if I can be of further assistance.

Sincerely,


Helmut (John) Bonkowski
Licensure
Health Care Facilities

HJB/ADD/G2044304 #45

cc: Health Facilities Commission
Division of Health Planning
Information Resources
Regional Administrator

Department of Health & Human Services
Centers for Medicare & Medicaid Services
61 Forsyth St., Suite. 4T20
Atlanta, Georgia 30303-8909



Ref: Erlanger Bledsoe Provider Based Inquiry441306

February 16, 2012



Ms. Ms. Stephanie Boynton, Administrator
Erlanger Bledsoe Hospital
71 Wheelertown Avenue, Box 699
Pikeville, Tennessee 37367

RE: Review of Criteria for Provider Based ER Request

Dear Ms. Boynton:

We acknowledge receipt of your request for verification of the lesser distance due to secondary road requirements for the hospital's proposed provider based off-site emergency department location. We have reviewed your documentation in support of your claim. The determination below is a preliminary determination that will expire one year from the date of this correspondence. If you apply for a provider based off-site hospital emergency department designation after the expiration date, you must again provide documentation showing that you meet the criteria at 42 CFR 485.610(c). Please note that this determination relates to the secondary roads criteria only and to none of the other CAH provider based requirements. Additionally, the application must be accompanied by official Tennessee Department of Transportation verification of secondary road designation of the roads/highways identified in your request.

Based on the documentation complied by your hospital and presented to us for review, we find that your hospital **MEETS** the secondary roads criteria at 42 CFR 485.610(c).

If you have questions, please contact Joe Ann Hollingsworth at (404) 562-7510.

Sincerely,

Sandra M. Pace
Associate Regional Administrator
Division of Survey and Certification

Cc: State Agency

Ex. A

BRIGHTBRIDGE

capital vision for your vision

Page 29-1

August 29, 2011

Ms. Paula Lovett
ECD Program Management
Tennessee Tower
10th Floor, 312 8th Avenue North
Nashville, TN 37243

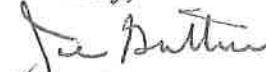
RE: Sequatchie County ARC Grant Medical Center Equipment

Dear Paula:

BrightBridge Inc. manages and operates an economic development fund for Sequatchie County. Our Board of Directors has discussed and is prepared to approve the dispersal of \$250,000 to Sequatchie County. This would be used to match a \$250,000 grant from the Appalachian Regional Commission for the purchase of medical equipment needed to re-open the North Valley Medical Center. Our board feels this is the most important economic development priority in Sequatchie County at this time and we appreciate the encouragement and support of the state and ARC in funding this critical project.

If you need additional information, please contact me.

Sincerely,



Joe Guthrie
President

CC: Hale Booth



State of Tennessee
Department of Economic and Community Development

Office of Policy and Federal Programs
William R. Snodgrass Tennessee Tower, 10th Floor
312 Rosa L. Parks Avenue
Nashville, Tennessee 37243-1102
615-741-6201 Voice/TDD / FAX: 615-253-1870

October 10, 2011

The Honorable Claude Lewis
Sequatchie County Mayor
P.O. Box 595
Chattanooga, Tennessee 37327

Re: 2011 ARC Sequatchie County North Medical Center Equipment
TN-17155-302-11

Dear Mr. Lewis:

The Appalachian Regional Commission has approved a grant of \$250,000 for the above referenced project.

A copy of the approval is enclosed.

Sincerely,

A handwritten signature in cursive script, reading "Paula Lovett", is written over a horizontal line.

Paula Lovett
Grants Program Manager

PL:mwf

Enclosure

cc: Hale Booth
Beth Jones



To: Earl F. Gohl, Federal Co-Chair
Subject: North Valley Medical Center Equipment
TN-17155-302-11

Grantee: Sequatchie County
Dunlap, Tennessee

County: Distressed: Grundy
At Risk: VanBuren
Transitional: Sequatchie

Goal: ARC Goal 2, Objective 5. State Strategy 2.5.3: Support programs to provide primary health care to Appalachian citizens.

Purpose: To increase access to primary care and emergency medical services by restoring operations of a hospital in Sequatchie County.

Funding:	ARC	\$ 250,000 (AD)	50%
	Local	250,000	50%
	Total	\$500,000	100%

Local: BrightBridge/Sequatchie County Economic Development Fund.

Description

Sequatchie County has requested funding for a project to restore operations at the North Valley Medical Center in Dunlap. The county-owned medical facility has been managed by a private operator. In 2010 the operator unexpectedly converted its emergency services to an urgent care operation, relocating some medical equipment to other facilities. This turn of events has left the hospital without physicians and without a medical lab, and is straining the county ambulance services which now must transport all patients to emergency facilities at least 22 miles away.

The county has negotiated a new management agreement with the Erlanger Health System to reopen the facility and to provide emergency services and primary care treatment, as complements to Erlanger's regional network of health care facilities. The county seeks to purchase equipment needed to reopen the emergency department; the facility is otherwise in good condition and is ready to begin serving patients.

Rationale/Benefits:

- Residents of Sequatchie County and surrounding areas need access to a skilled health provider network, and require better access to emergency medical services. The restoration of services at the North Valley Medical Center will provide a fully functional emergency department, helping to speed medical treatment and reduce transport times.
- Reopening the facility will create jobs and provide an institutional asset which will benefit the local economy.

TN-17155-302-11

Performance Measurements:

Outputs:

- Purchase of equipment and furnishings for medical center.

Outcomes:

- Approximately 25 jobs created for physicians, nurses, lab technicians, and administrative staff; 5,000 patients served each year.

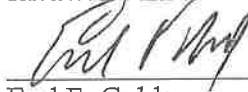
This project will have a limited impact on distressed counties and areas. The period of performance is from November 1, 2011 to June 30, 2012. The project is consistent with the ARC Act and Code and is recommended for funding.

RECOMMENDED:



Thomas M. Hunter
Executive Director

APPROVED:



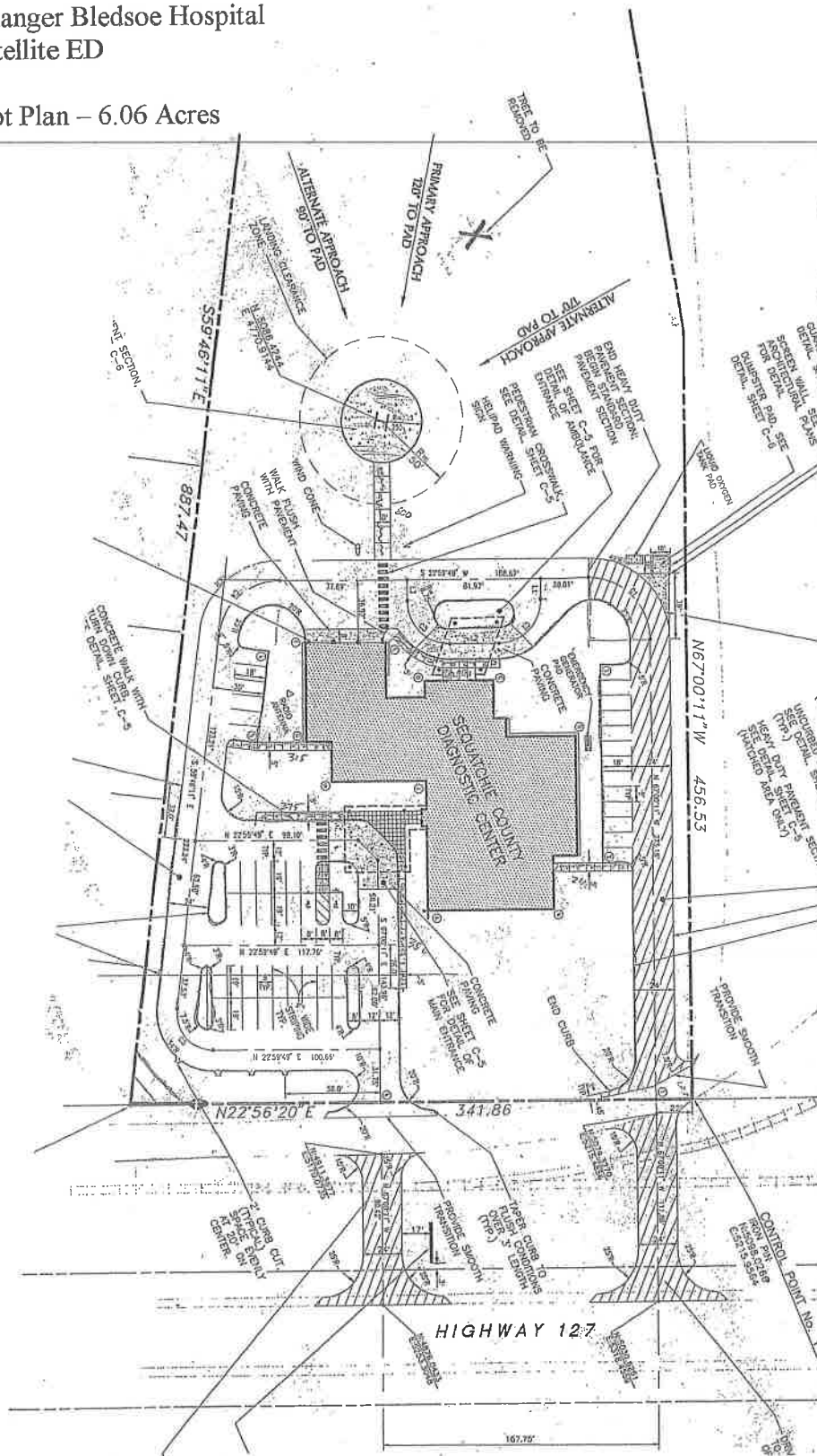
Earl F. Gohl
Federal Co-Chair

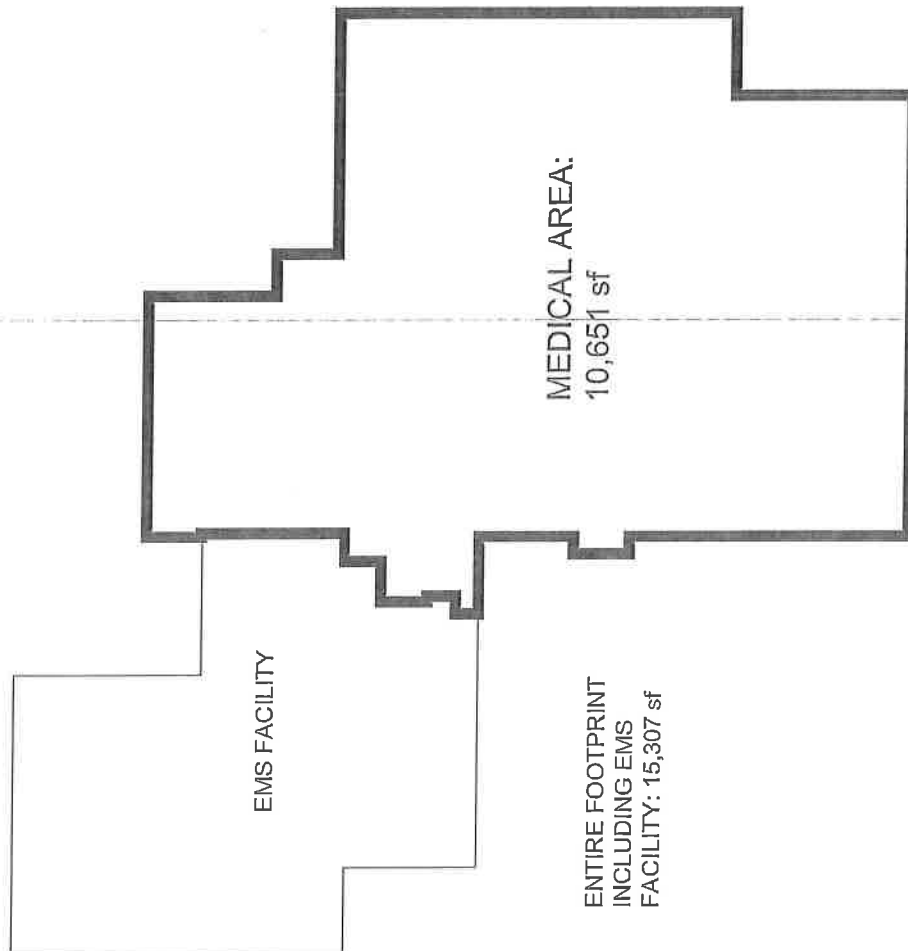
9-29-11

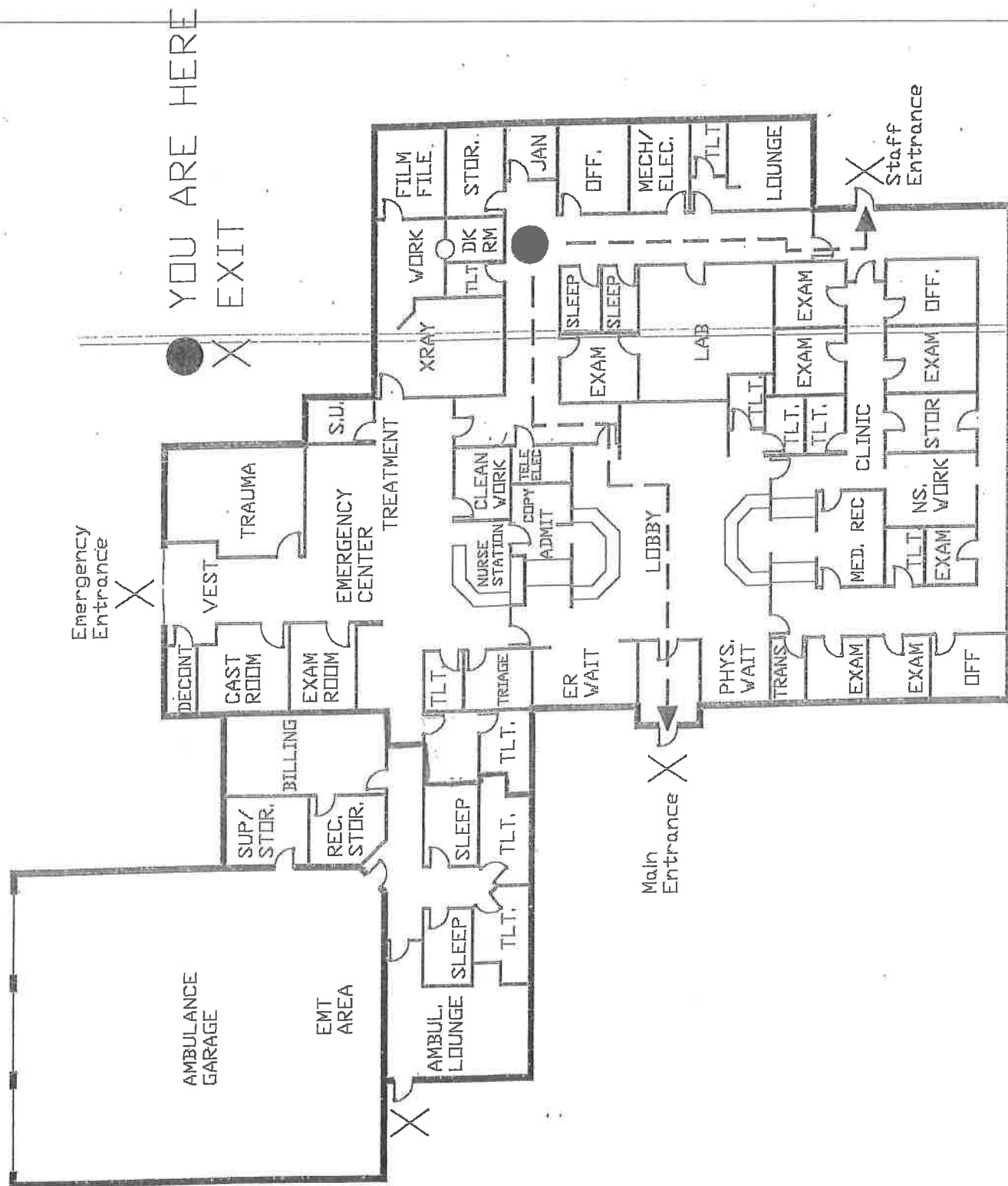
Date Approved

Erlanger Bledsoe Hospital
Satellite ED

Plot Plan – 6.06 Acres







YOU ARE HERE
EXIT

Primary Service Area

2012 SEP 25 AM 8:53



September 5, 2012

Ms. Melanie M. Hill, Executive Director
Tennessee Health Services & Development Agency
500 Deadrick Street, Ste. 850
Nashville, TN 37243

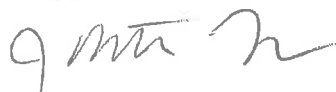
RE: Erlanger Bledsoe Hospital
Satellite Emergency Department

Dear Ms. Hill,

Please let this letter serve to confirm Erlanger Bledsoe Hospital's intent to fund the initiation of a Satellite Emergency Department in the amount of \$ 151,513.00, with funds from continuing operations; subject to CON approval and also upon approval of the Chattanooga-Hamilton County Hospital Authority.

Please let me know if you have any questions or need further information. Thank you for your consideration.

Sincerely,



J. Britton Tabor, CPA
Sr. V. P. & Chief Financial Officer



Financial Statements

June 30, 2011

ERLANGER HEALTH SYSTEM
Unaudited Consolidated Balance Sheets as of: June 30, 2011

ASSETS	2011	2010
<u>UNRESTRICTED FUND</u>		
CURRENT:		
Cash and temporary investments	\$ 56,435,634	\$ 78,126,146
Funds held by trustee - current portion	28,775	5,502,561
Patient accounts receivable	310,212,539	287,387,147
Less allowances for patient A/R	(228,289,847)	(211,092,119)
Net patient accounts receivable	<u>81,922,692</u>	<u>76,295,028</u>
Other receivables	10,159,659	7,627,762
Due from third party payors	8,086,255	-
Inventories	12,465,028	11,478,408
Prepaid expenses	<u>5,981,313</u>	<u>5,005,116</u>
Total current assets	<u>175,079,356</u>	<u>184,035,021</u>
PROPERTY, PLANT, AND EQUIPMENT		
Net property, plant and equipment	<u>164,781,673</u>	<u>164,303,845</u>
LONG-TERM INVESTMENTS	<u>22,606,604</u>	<u>20,051,943</u>
OTHER ASSETS:		
Assets whose use is limited	139,905,215	137,836,728
Deferred debt issue cost	7,096,163	7,536,619
Other assets	<u>1,830,918</u>	<u>1,900,704</u>
Total other assets	<u>148,832,297</u>	<u>147,274,051</u>
TOTAL	<u>\$ 511,299,929</u>	<u>\$ 515,664,860</u>
<u>LIABILITIES</u>		
<u>UNRESTRICTED FUND</u>		
CURRENT:		
Current maturities of long term debt	\$ 7,305,854	\$ 7,820,568
Accounts payable	40,657,450	34,274,457
Accrued salaries & related liabilities	29,127,697	28,143,990
Due to third party payors	93,625	6,295,350
Construction fund payable	118,715	53,356
Accrued Interest payable	<u>2,234,359</u>	<u>2,345,544</u>
Total current liabilities	<u>79,537,700</u>	<u>78,933,265</u>
POST RETIREMENT BENEFITS	<u>12,011,946</u>	<u>10,639,581</u>
(GASB 45 & FAS 112)		
RESERVE FOR OTHER LIABILITIES	<u>24,205,545</u>	<u>25,796,363</u>
LONG - TERM DEBT	<u>178,429,840</u>	<u>183,291,459</u>
FUND BALANCE:		
Unrestricted	207,817,418	207,803,229
Invested in capital assets, net of related debt	6,879,339	6,926,235
Restricted	<u>2,418,141</u>	<u>2,274,728</u>
	<u>217,114,898</u>	<u>217,004,192</u>
TOTAL	<u>\$ 511,299,929</u>	<u>\$ 515,664,860</u>

Erlanger Health System
Unaudited Consolidated Statement of Operations
For the period ended June 30, 2011

	Primary Health System					CUC	EHS Total
	EMC	BLED/EOE	HMO TRUST	SSDA	Total		
PATIENT SERVICE REVENUE							
Inpatient services	\$ 991,395,942	3,232,789	-	42,626	994,671,357	-	994,671,357
Outpatient services	582,170,778	15,354,789	-	5,349,036	602,874,603	15,860,058	618,734,661
Total patient service revenue	\$ 1,573,566,720	18,587,578	-	5,391,662	1,597,545,960	15,860,058	1,613,406,018
REVENUE DEDUCTIONS:							
Certified free care	\$ 23,266,484	-	-	(25,000)	23,241,484	843,285	24,084,769
Charity care	52,333,475	896,036	-	2,293,927	55,523,437	-	55,523,437
Bad debt expense	83,375,573	1,761,849	-	40,581	85,178,004	429,881	85,607,885
Medicare and Medicaid rate adjustments	491,362,847	4,503,977	-	(555,816)	495,311,008	-	495,311,008
Contractual adjustments and policy discounts	426,555,734	3,491,605	-	415,166	430,462,505	3,937,830	434,400,335
Total revenue deductions	\$ 1,076,894,114	10,653,466	-	2,168,858	1,089,716,439	5,210,996	1,094,927,435
NONPATIENT SERVICE REVENUE							
INVESTMENT IN JOINT VENTURES	\$ 16,294,849	536,190	-	3,397,310	20,228,348	15,096,922	35,325,270
Net operating revenue	\$ 512,622,668	8,470,302	-	6,620,113	527,713,083	25,745,984	553,459,067
OPERATING EXPENSE							
Salaries and employee benefits	\$ 281,323,304	4,208,235	-	4,309,065	289,840,603	11,946,869	301,787,472
Supplies	75,549,107	433,210	-	163,132	76,145,448	467,381	76,612,829
Purchased services	90,383,342	2,199,921	-	1,303,666	93,886,928	-	93,886,928
Utilities	9,208,338	173,420	-	127,023	9,508,782	48,763	9,557,545
Drugs	23,708,713	187,351	-	21,484	23,917,549	12,271,831	36,189,380
Depreciation	25,327,759	116,045	-	82,552	25,526,356	273,257	25,799,613
Insurance & taxes	4,241,747	22,792	-	5,968	4,270,507	-	4,270,507
Corporate overhead allocation	(1,975,361)	1,142,241	-	800,000	(33,120)	33,120	-
Total operating expense	\$ 507,766,948	8,483,214	-	6,812,891	523,063,053	25,041,221	548,104,274
Excess rev. over/(under) exp. from operations	\$ 4,855,720	(12,912)	-	(192,777)	4,650,030	704,763	5,354,793
NONOPERATING INCOME:							
Gain (Losses) on disposal of assets	10,602	(2,927)	-	-	7,676	8,488	16,165
Interest Income/(Gains (Losses) on Investments	2,240,473	(244)	20,003	52,236	2,312,468	496,927	2,809,395
Interest expense	(10,347,749)	-	-	-	(10,347,749)	-	(10,347,749)
Mark to market on swaps	1,600,620	-	-	-	1,600,620	-	1,600,620
Provisions for income tax	-	-	-	-	-	(332,251)	(332,251)
EXCESS REVENUES OVER/(UNDER) EXPENSES	\$ (1,640,334)	(16,083)	20,003	(140,541)	(1,776,956)	877,928	(899,028)

52



Financial Statements

May 31, 2012

This financial report is confidential and proprietary information. This document is not a public record until finalized and released by the chief financial officer. The embargo date for the information contained herein is June 25, 2012 at 5P.M. EST. No part of the information contained herein may be released or discussed publicly until this date.

ERLANGER HEALTH SYSTEM
Unaudited Consolidated Balance Sheets as of May 31, 2012

2012 SEP 11 AM 9: 53

ASSETS		2012	2011
<u>UNRESTRICTED FUND</u>			
CURRENT:			
Cash and temporary investments	\$	36,589,426	\$ 49,228,056
Funds held by trustee - current portion		32,777	781
Patient accounts receivable		313,443,353	315,037,820
Less allowances for patient A/R		(228,098,380)	(233,321,411)
Net patient accounts receivable		85,344,973	81,716,409
Other receivables		19,244,161	8,421,896
Due from third party payors		1,190,410	8,536,804
Inventories		12,258,795	12,385,886
Prepaid expenses		5,725,584	5,788,239
Total current assets		160,386,125	166,078,072
PROPERTY, PLANT, AND EQUIPMENT			
Net property, plant and equipment		161,463,884	155,777,194
LONG-TERM INVESTMENTS			32,020,690
OTHER ASSETS:			
Assets whose use is limited		139,036,586	138,758,692
Deferred debt issue cost		6,511,586	7,176,101
Other assets		13,710,563	2,382,032
Total other assets		159,258,735	148,316,825
TOTAL	\$	481,108,744	\$ 502,192,780
LIABILITIES		2012	2011
<u>UNRESTRICTED FUND</u>			
CURRENT:			
Current maturities of long term debt	\$	7,765,044	\$ 7,311,606
Accounts payable		41,108,437	35,114,498
Accrued salaries & related liabilities		22,599,222	29,513,762
Due to third party payors		4,790,848	2,446,610
Construction fund payable		51,398	93,311
Accrued interest payable		1,396,515	1,470,701
Total current liabilities		77,711,465	75,950,487
POST RETIREMENT BENEFITS		13,249,837	11,492,731
(GASB 45 & FAS 112)			
RESERVE FOR OTHER LIABILITIES		25,049,781	23,768,364
LONG - TERM DEBT		170,736,507	178,470,046
FUND BALANCE:			
Unrestricted		179,267,616	212,125,163
Invested in capital assets, net of related debt		10,207,437	(2,130,633)
Restricted		4,886,101	2,516,622
		194,361,154	212,511,152
TOTAL	\$	481,108,744	\$ 502,192,780

Erlanger Health System
Unaudited Consolidated Statement of Operations
For the period ended May 31, 2012

	YTD ACTUAL					CUC	EHS	
	EMC	BLED SOE	HMO TRUST	SSDA	Total		Total	
PATIENT SERVICE REVENUE								
Inpatient services	\$ 919,757,610	3,442,251	-	22,485	923,222,346	-		923,222,346
Outpatient services	560,333,900	15,099,221	-	4,737,468	580,170,589	17,502,876		597,673,465
Total patient service revenue	\$ 1,480,091,509	18,541,472	-	4,759,953	1,503,392,934	17,502,876		1,520,895,811
REVENUE DEDUCTIONS:								
Certified free care	\$ 20,882,665	-	-	(11,457)	20,871,208	724,319		21,595,527
Charity care	45,747,804	944,123	-	1,945,296	48,637,223	-		48,637,223
Bad debt expense	85,896,662	1,514,968	-	41,726	87,453,357	355,197		87,808,553
Medicare and Medicaid rate adjustments	456,073,523	5,980,106	-	262,088	462,315,717	-		462,315,717
Contractual adjustments and policy discounts	413,617,379	3,170,911	-	208,749	416,997,039	5,753,788		422,750,827
Total revenue deductions	\$ 1,022,218,033	11,610,109	-	2,446,402	1,036,274,544	6,833,303		1,043,107,847
NONPATIENT SERVICE REVENUE								
INVESTMENT IN JOINT VENTURES	\$ 13,670,944	552,034	-	2,486,189	16,709,168	13,172,690		29,881,858
	(149,654)	-	-	-	(149,654)	-		(149,654)
Net operating revenue	\$ 471,394,766	7,483,397	-	4,799,740	483,677,903	23,842,264		507,520,167
OPERATING EXPENSE								
Salaries and employee benefits	\$ 269,657,448	3,974,587	-	3,983,955	277,615,990	11,696,506		289,312,496
Supplies	68,288,923	420,328	-	199,357	68,908,608	1,563,045		70,471,653
Purchased services	90,866,733	2,127,525	-	1,053,890	94,048,148	1,986,106		96,034,254
Utilities	8,448,635	145,723	-	144,721	8,739,079	169,322		8,908,400
Drugs	22,197,583	200,662	-	17,820	22,416,065	7,544,792		29,960,856
Depreciation	23,877,046	99,403	-	96,163	24,072,612	280,990		24,353,602
Insurance & taxes	3,529,297	15,240	-	15,765	3,560,301	213,177		3,773,478
Corporate overhead allocation	(1,812,965)	1,043,358	-	734,247	(30,360)	30,360		-
Total operating expense	\$ 485,052,699	8,031,826	-	6,245,917	499,330,442	23,484,297		522,814,739
Excess rev. over/(under) exp. from operations	\$ (13,657,933)	(548,429)	-	(1,446,178)	(15,652,539)	357,967		(15,294,572)
NONOPERATING INCOME:								
Gain (Losses) on disposal of assets	(183,561)	-	-	-	(183,561)	(9,684)		(193,246)
Interest Income/Gains (Losses) on Investments	2,490,238	(428)	24,101	50,832	2,564,742	84,921		2,649,663
Interest expense	(9,009,501)	-	-	-	(9,009,501)	(1,064)		(9,010,565)
Mark to market on swaps	(806,209)	-	-	-	(806,209)	-		(806,209)
Provisions for income tax	-	-	-	-	-	(166,306)		(166,306)
EXCESS REVENUES OVER/(UNDER) EXPENSES	\$ (21,166,966)	(548,429)	24,101	(1,395,345)	(23,087,068)	265,833		(22,821,235)

Board for Licensing Health Care Facilities



State of Tennessee

DEPARTMENT OF HEALTH

This is to certify, that a license is hereby granted by the State Department of Health to

to conduct and maintain a

CHATTANOOGA-HAMILTON COUNTY HOSPITAL AUTHORITY

Hospital

ERLANGER BLEDSOE

Located at

71 WHEELERTOWN AVENUE, PIKEVILLE

County of

BLEDSOE

Tennessee.

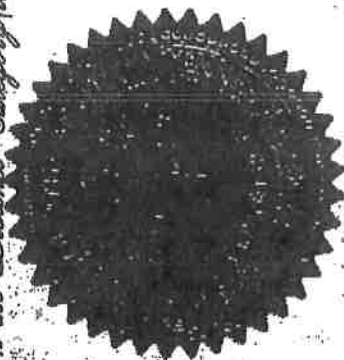
This license shall expire MAY 21, 2013, *and is subject*

to the provisions of Chapter 11, Tennessee Code Annotated. This license shall not be assignable or transferable, and shall be subject to revocation at any time by the State Department of Health, for failure to comply with the laws of the State of Tennessee or the rules and regulations of the State Department of Health issued thereunder.

In Witness Whereof, we have hereunto set our hand and seal of the State this 1ST *day of* JULY, 2012.

PEDIATRIC BASIC HOSPITAL
CRITICAL ACCESS HOSPITAL

In the District (Category (rev.) of:



By

James J. Davis, MPH

DIRECTOR, DIVISION OF HEALTH CARE FACILITIES

By

John J. Davis

COMMISSIONER

Department of Health & Human Services
Centers for Medicare & Medicaid Services
61 Forsyth St., Suite. 4T20
Atlanta, Georgia 30303-8909



Ref: Erlanger Bledsoe Hosp compliance w/stds 441306

November 22, 2011

Important Notice, Read Carefully

Ms. Stephanie Boynton, Administrator
Erlanger Bledsoe Hospital
71 Wheelertown Avenue
Pikeville, Tennessee 37367

RE: Critical Access Hospital - CMS Certification Number (CCN) 44-1306

Dear Ms. Boynton:

Based on a report by the Tennessee State Survey Agency of the validation survey of Erlanger Bledsoe Hospital, ending November 9, 2011, we find your institution to be in compliance with all Medicare Conditions of Participation. However, standard level deficiencies were cited at 42 CFR 485.618(b)(2) equipment and Supplies, 485.638(a)(4)(iii) Record Systems, 485.645(d)(3) Restraints and NFPA 101 Life Safety Code Standard, Tag K062 (see enclosed CMS Forms - 2567). Please complete a plan of correction for these deficiencies and mail to the Tennessee State Survey Agency within the next 10, (ten) calendar days.

Knoy office

We thank you for your cooperation and look forward to working with you on a continuing basis in the administration of the Medicare program. If you have questions, please contact Joe Ann Hollingsworth at (404) 562-7510.

Sincerely,

Sandra M. Pace
Associate Regional Administrator
Division of Survey and Certification

Cc: State Agency
The Joint Commission

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

Federal Tags

PRINTED: 11/22/2011

Page A-46 (REV)

CIVIL NO. 0958-0391

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 441306	(X2) MULTIPLE CONSTRUCTION A. BUILDING _____ B. WING _____	(X3) DATE SURVEY COMPLETED 11/09/2011
--	--	--	--

NAME OF PROVIDER OR SUPPLIER

ERLANGER BLEDSOE HOSPITAL

STREET ADDRESS, CITY, STATE, ZIP CODE

71 WHEELERTOWN AVENUE

PIKEVILLE, TN 37367

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE
C 000	INITIAL COMMENTS	C 000		
C 204	<p>Full validation survey completed on November 7-9, 2011.</p> <p>485.618(b)(2) EQUIPMENT AND SUPPLIES</p> <p>[The items available must include the following:]</p> <p>Equipment and supplies commonly used in life saving procedures, including airways, endotracheal tubes, ambu bag/valve/mask, oxygen, tourniquets, immobilization devices, nasogastric tubes, splints, IV therapy supplies, suction machine, defibrillator, cardiac monitor, chest tubes, and indwelling urinary catheters.</p> <p>This STANDARD is not met as evidenced by: Based on observation, review of manufacturer's statement, and interview, the facility failed to ensure expired sutures were not available for patient use in the Emergency Department (ED) Trauma Room.</p> <p>The findings included:</p> <p>Observation with the Infection Control Director of the ED Trauma Room on November 8, 2011, at 2:10 p.m., revealed the following sutures without an expiration date on the box: one box (3 dozen) 2-0 silk; one box of 0 black braid silk; one box 3-0 black braid silk; one box chromic gut; two boxes 3-0 chromic gut; and two boxes 2-0 chromic gut.</p> <p>Review of the manufacturer's statement, in a letter December 2009, revealed " ...If you have (named manufacturer) sutures in your inventory that do not have an expiration date on the packaging, this product was manufactured prior</p>	C 204	See Attached	

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

Stephanie Bryant

TITLE

Administrator

(X6) DATE

11-30-11

Any deficiency statement ending with an asterisk (*) denotes a deficiency which the institution may be excused from correcting providing it is determined that proper safeguards provide sufficient protection to the patients. (See instructions.) Except for nursing homes, the findings stated above are disclosable 90 days following the date of survey whether or not a plan of correction is provided. For nursing homes, the above findings and plans of correction are disclosable 14 days following the date these documents are made available to the facility. If deficiencies are cited, an approved plan of correction is requisite to continued program participation.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

CENTERS FOR MEDICARE & MEDICAID SERVICES

PRINTED: 11/22/2011

FORM 8570-101 VED

OM Page A-47 391

STATEMENT OF DEFICIENCIES
AND PLAN OF CORRECTION

(X1) PROVIDER/SUPPLIER/CLIA
IDENTIFICATION NUMBER:

441306

(X2) MULTIPLE CONSTRUCTION

A. BUILDING

B. WING

2012 SEP 11 AM 9:53

(X3) LATE SURVEY
COMPLETED

11/09/2011

NAME OF PROVIDER OR SUPPLIER

ERLANGER BLEDSOE HOSPITAL

STREET ADDRESS, CITY, STATE, ZIP CODE

71 WHEELERTOWN AVENUE
PIKEVILLE, TN 37367

(X4) ID
PREFIX
TAG

SUMMARY STATEMENT OF DEFICIENCIES
(EACH DEFICIENCY MUST BE PRECEDED BY FULL
REGULATORY OR LSC IDENTIFYING INFORMATION)

ID
PREFIX
TAG

PROVIDER'S PLAN OF CORRECTION
(EACH CORRECTIVE ACTION SHOULD BE
CROSS-REFERENCED TO THE APPROPRIATE
DEFICIENCY)

(X5)
COMPLETION
DATE

C 204

Continued From page 1
to 1998 and is considered expired ..."

C 204

See Attached

Interview with the Infection Control Director in the
ED Trauma Room on November 8, 2011, at 2:10
p.m., confirmed the sutures were expired and
available for patient use.

C 306

485.638(a)(4)(iii) RECORDS SYSTEMS

C 306

See Attached

[For each patient receiving health care services,
the CAH maintains a record that includes, as
applicable-]

all orders of doctors of medicine or osteopathy or
other practitioners, reports of treatments and
medications, nursing notes and documentation of
complications, and other pertinent information
necessary to monitor the patient's progress, such
as temperature graphics and progress notes
describing the patient's response to treatments;
[and]

This STANDARD is not met as evidenced by:
Based on medical record review, facility policy
review, and interview, the facility failed to
document the dosage of sliding scale insulin
administered for two patients (#13, #16); failed to
ensure all elements were included for the use of a
physical restraint for one patient (#5); and failed
to ensure an order was written for the use of
chemical restraints for one patient (#5) of twenty
patients reviewed.

The findings included:

Medical record review revealed patient #13 was

DEPARTMENT OF HEALTH AND HUMAN SERVICES

CENTERS FOR MEDICARE & MEDICAID SERVICES

PRINTED: 11/09/11

Page A-48 ED

OMB 0931

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 441306	(X2) MULTIPLE CONSTRUCTION A. BUILDING _____ B. WING _____	(X3) DATE SURVEY COMPLETED 11/09/2011
---	--	--	--

NAME OF PROVIDER OR SUPPLIER

ERLANGER BLEDSOE HOSPITAL

STREET ADDRESS, CITY, STATE, ZIP CODE

71 WHEELERTOWN AVENUE

PIKEVILLE, TN 37367

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE														
C 306	<p>Continued From page 2</p> <p>admitted to the facility on December 20, 2010, with diagnoses to include Diabetes Mellitus, Osteoarthritis, Hypertension, Benign Prostatic Hypertrophy, Diverticulitis, and Right Cerebrovascular Accident.</p> <p>Continued medical record review of physician's orders dated December 20, 2010, revealed an order for sliding scale insulin:</p> <table border="0"> <tr> <td>Blood sugar 71 - 150</td> <td>0 units</td> </tr> <tr> <td>Blood sugar 151 - 200</td> <td>0 units</td> </tr> <tr> <td>Blood sugar 201 - 250</td> <td>2 units</td> </tr> <tr> <td>Blood sugar 251 - 300</td> <td>4 units</td> </tr> <tr> <td>Blood sugar 301 - 350</td> <td>8 units</td> </tr> <tr> <td>Blood sugar 351 - 400</td> <td>10 units</td> </tr> <tr> <td>Blood sugar >400</td> <td>12 units</td> </tr> </table> <p>Further medical record review of the Medication Administration Record (MAR) revealed an entry dated December 20, 2010, at 4:00 p.m., with blood sugar of 261, and documentation insulin was administered but no documentation of the dosage of insulin administered. Continued review of the MAR revealed on December 22, 2010, at 4:00 p.m., with blood sugar of 268 and documentation insulin was administered but no documentation of the dosage of insulin administered. Further review of the MAR revealed an entry dated December 24, 2010, at 11:00 a.m., with blood sugar of 227 and documentation insulin was administered but no documentation of the dosage of insulin administered.</p> <p>Medical record review revealed patient #16 was admitted to the facility on May 11, 2011, with diagnoses to include Chest Pain with Syncopal Episode, Coronary Artery Disease, Peripheral Artery Disease, Coronary Artery Bypass Graft,</p>	Blood sugar 71 - 150	0 units	Blood sugar 151 - 200	0 units	Blood sugar 201 - 250	2 units	Blood sugar 251 - 300	4 units	Blood sugar 301 - 350	8 units	Blood sugar 351 - 400	10 units	Blood sugar >400	12 units	C 306	See Attached	
Blood sugar 71 - 150	0 units																	
Blood sugar 151 - 200	0 units																	
Blood sugar 201 - 250	2 units																	
Blood sugar 251 - 300	4 units																	
Blood sugar 301 - 350	8 units																	
Blood sugar 351 - 400	10 units																	
Blood sugar >400	12 units																	

DEPARTMENT OF HEALTH AND HUMAN SERVICES

CENTERS FOR MEDICARE & MEDICAID SERVICES

PRINTED: 11/09/2011

Page A-49 JED

OM 391

STATEMENT OF DEFICIENCIES
AND PLAN OF CORRECTION

(X1) PROVIDER/SUPPLIER/CLIA
IDENTIFICATION NUMBER:

441306

(X2) MULTIPLE CONSTRUCTION

A. BUILDING

B. WING

(X3) DATE SURVEY
COMPLETED

11/09/2011

NAME OF PROVIDER OR SUPPLIER

ERLANGER BLEDSOE HOSPITAL

STREET ADDRESS, CITY, STATE, ZIP CODE

71 WHEELERTOWN AVENUE

PIKEVILLE, TN 37367

(X4) ID
PREFIX
TAG

SUMMARY STATEMENT OF DEFICIENCIES
(EACH DEFICIENCY MUST BE PRECEDED BY FULL
REGULATORY OR LSC IDENTIFYING INFORMATION)

ID
PREFIX
TAG

PROVIDER'S PLAN OF CORRECTION
(EACH CORRECTIVE ACTION SHOULD BE
CROSS-REFERENCED TO THE APPROPRIATE
DEFICIENCY)

(X5)
COMPLETION
DATE

C 306

Continued From page 3
Diabetes Mellitus, Hypertension, and Atrial Fibrillation.

Continued medical record review of physician's orders dated May 12, 2011, revealed an order for sliding scale insulin:

Blood sugar 51 - 150 0 units
Blood sugar 151 - 200 3 units
Blood sugar 201 - 250 5 units
Blood sugar 251 - 300 7 units
Blood sugar 301 - 350 10 units
Blood sugar 351 - 400 12 units
Blood sugar >400 14 units

Further medical record review of the MAR revealed an entry dated May 12, 2011, at 11:00 a.m., with blood sugar of 225, and documentation insulin was administered but no documentation of the dosage of insulin administered.

Review of facility policy entitled "Blood Glucose Monitoring and Documentation" revealed "...the following will be documented: insulin given with date and time to include routine insulin doses as well as sliding scale insulin doses...".

During interview on November 8, 2011, at 3:00 p.m., in the conference room, the Case Manager/Utilization Review Nurse/Infection Control Nurse confirmed insulin was administered to patient #13 on three occasions and patient #16 on one occasion but there was no documentation of dosage of insulin administered.

Patient #5 was admitted to the Emergency Department (ED) on May 19, 2011, at 9:15 a.m., with the Chief Complaint of Very Combative and

C 306

See Attached

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

PRINTED: 11/22/2011

Page A-50 VED 391

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 441306	(X2) MULTIPLE CONSTRUCTION A. BUILDING _____ B. WING _____	(X3) DATE SURVEY COMPLETED 11/09/2011
---	---	--	---

NAME OF PROVIDER OR SUPPLIER

ERLANGER BLEDSOE HOSPITAL

STREET ADDRESS, CITY, STATE, ZIP CODE
71 WHEELERTOWN AVENUE
PIKEVILLE, TN 37367

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE
C 306	<p>Continued From page 4 Acting Strange.</p> <p>Medical record review of the Nurse's Notes, dated May 19, 2011, at 9:15 a.m., revealed the patient was ambulatory upon arrival. Continued review revealed the patient's family reported the patient awoke at 5:00 a.m.; came out of bedroom confused, agitated, going from room to room, and didn't know family members. Continued review revealed the patient's last alcohol intake was four days prior and the family reported the patient does not drink daily. Continued review revealed, at 9:15 a.m., the patient was placed in the Trauma room with the assistance of 5 people, was disoriented, combative, cursing, kicking, and biting. Continued review at 9:19 a.m. the patient was given Ativan (anti-anxiety medication) 2 mg (milligrams) IV (intravenous), and the patient remained agitated and was placed in 4 point restraint; had an indwelling urinary catheter placed; and urine specimen and lab work obtained all while the physician was at the bedside. Continued review revealed the patient's blood pressure was 166/95 and the pulse was 130. Continued review revealed at 9:37 a.m., the patient received Ativan 1 mg IV, although the patient remained agitated; at 10:30 a.m., the patient received Thiamine (vitamin) 100 mg IV; at 10:31 a.m., the patient received Ativan 1 mg IV, although the patient remained agitated; and at 10:18 a.m., the patient received Succinylcholine (muscle relaxant to facilitate intubation) 3mg, which induced sedation. Continued review revealed at 10:30 a.m., the physician was arranging a transfer for higher level of care. Continued review revealed at 10:55 a.m., the patient's blood pressure was 166/88, pulse was 117, respiration was 24, and oxygen saturation</p>	C 306	See Attached	

DEPARTMENT OF HEALTH AND HUMAN SERVICES

CENTERS FOR MEDICARE & MEDICAID SERVICES

PRINTED: 11/09/2011

Page A-51 WED
J391

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 441306	(X2) MULTIPLE CONSTRUCTION A. BUILDING _____ B. WING _____		(X3) ON-SITE SURVEY COMPLETED 11/09/2011
NAME OF PROVIDER OR SUPPLIER ERLANGER BLEDSOE HOSPITAL			STREET ADDRESS, CITY, STATE, ZIP CODE 71 WHEELERTOWN AVENUE PIKEVILLE, TN 37367		
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE	
C 306	<p>Continued From page 5</p> <p>was 94%. Continued review revealed at 11:10 a.m., the physician was at the bedside to intubate (placement of a tube in the patient's throat utilized to administering breathing) the patient. Continued review revealed at 11:15 a.m., the patient received Versed (sedative) 3 mg IV, and remained sedated; at 11:24 a.m., the patient remained sedated and received Norcuron (muscle relaxant utilized to assist in facilitating intubation) 10 mg and Versed 2 mg IV. Continued review revealed at 11:24 a.m., the patient was being bagged (use of equipment to mechanical breath for the patient). Continued review revealed at 11:50 a.m., the patient was transported to a higher level care hospital by Emergency Medical Services with a final diagnosis of Altered Mental Status.</p> <p>Review of the Clinical Justification Protocol, dated May 19, 2011, at 9:30 a.m., revealed " ...combative ...mittens right and left ...tethered restraints BLE (both lower extremities) ..."</p> <p>Review of the Physician's Order, revealed an order, dated May 19, 2011, at 9:30 a.m., "Behavioral Restraint". Continued review did not reveal an order for Chemical Restraints or the reason, types of Behavior Restraints to be utilized, or the length of time the restraint was to be utilized.</p> <p>Review of the facility policy Restraints/Protective Devices, number PC.050, dated as revised March 2011, revealed " ...use of medical/surgical, behavioral, chemical and special population' restraints ...should only be utilized when it is clinically justified or when warranted by patient behavior that threatens the immediate physical</p>	C 306	See Attached		

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

PRINTED: 11/22/2011

Page A-52 VED
ON 1391

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 441306	(X2) MULTIPLE CONSTRUCTION A. BUILDING _____ B. WING _____	(X3) DATE SURVEY COMPLETED 11/09/2011
---	---	--	---

NAME OF PROVIDER OR SUPPLIER

STREET ADDRESS, CITY, STATE, ZIP CODE

ERLANGER BLEDSOE HOSPITAL

71 WHEELERTOWN AVENUE
PIKEVILLE, TN 37367

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE
C 306	Continued From page 6 safety of the patient, staff, or others ...types of restraints include: ...mittens ...wrist ...ankle ...leather ...Order for application of restraint ...must indicate reason for restraint usage and type of restraint used ...Behavioral Restraint reason is driven by the primary behavioral health problem such as acute mania, acute psychosis ...each order is ...time limited ...Chemical Restraint: A drug used as a restraint is a medication used to control behavior or to restrict the patient's freedom of movement, and is not a standard of treatment for the patient's medical or psychiatric condition ...A standard treatment for medication used to address a patient's medical or psychiatric condition would include the following ...used within the pharmaceutical parameters approved ...follows national practice standards ...treat a specific patient's clinical condition based on that patient's targeted symptoms ...enables the patient to more effectively or appropriately function in the world around ...Orders - refer to reason for restraint (same requirements) ..." Interview with the Utilization Review Director, on November 8, 2011, at 10:20 a.m., in the conference room, confirmed the patient was chemically restrained and there was no physician's order for the use of the chemical restraint and confirmed the order for the physical restraint was not in accordance with the facility policy to include specific reason, specific type of restraint, and a time limit for the use of the restraint.	C 306	See Attached	
C 381	485.645(d)(3) RESTRAINTS [The CAH is substantially in compliance with the following SNF requirements contained in subpart B of part 483 of this chapter:]	C 381	See Attached	

DEPARTMENT OF HEALTH AND HUMAN SERVICES

CENTERS FOR MEDICARE & MEDICAID SERVICES

PRINTED: 11/22/2011

Page A-53 VED
OM 1391STATEMENT OF DEFICIENCIES
AND PLAN OF CORRECTION(X1) PROVIDER/SUPPLIER/CLIA
IDENTIFICATION NUMBER:

441306

(X2) MULTIPLE CONSTRUCTION

A. BUILDING _____

B. WING _____

(X3) DATE SURVEY
COMPLETED

11/09/2011

NAME OF PROVIDER OR SUPPLIER

ERLANGER BLEDSOE HOSPITAL

STREET ADDRESS, CITY, STATE, ZIP CODE

71 WHEELERTOWN AVENUE

PIKEVILLE, TN 37367

(X4) ID
PREFIX
TAGSUMMARY STATEMENT OF DEFICIENCIES
(EACH DEFICIENCY MUST BE PRECEDED BY FULL
REGULATORY OR LSC IDENTIFYING INFORMATION)ID
PREFIX
TAGPROVIDER'S PLAN OF CORRECTION
(EACH CORRECTIVE ACTION SHOULD BE
CROSS-REFERENCED TO THE APPROPRIATE
DEFICIENCY)(X5)
COMPLETION
DATE

C 381

Continued From page 7

Resident behavior and facility practices -
restraints (§483.13(a)):

"The resident has the right to be free from any physical or chemical restraints imposed for purposes of discipline or convenience, and not required to treat the resident's medical symptoms."

This STANDARD is not met as evidenced by:
Based on medical record review, facility policy review, and interview, the facility failed to ensure chemical restraints were not utilized without a documented condition which indicated the chemical restraint was warranted for one of twenty records reviewed.

The findings included:

Patient #5 was admitted to the Emergency Department (ED) on May 19, 2011, at 9:15 a.m., with the Chief Complaint of Very Combative and Acting Strange.

Medical record review of the Nurse's Notes, dated May 19, 2011, at 9:15 a.m., revealed the patient was ambulatory upon arrival. Continued review revealed the patient's family reported the patient awoke at 5:00 a.m.; came out of bedroom confused, agitated, going from room to room, and didn't know family members. Continued review revealed the patient's last alcohol intake was four days prior and the family reported the patient does not drink daily. Continued review revealed, at 9:15 a.m., the patient was placed in the

C 381

See Attached

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

PRINTED: 11/22/2011

Page A-54 JED
OM 391

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 441306	(X2) MULTIPLE CONSTRUCTION A. BUILDING _____ B. WING _____	(X3) DATE SURVEY COMPLETED 11/09/2011
---	--	--	--

NAME OF PROVIDER OR SUPPLIER

ERLANGER BLEDSOE HOSPITAL

STREET ADDRESS, CITY, STATE, ZIP CODE

71 WHEELERTOWN AVENUE

PIKEVILLE, TN 37367

(X4) ID PREFIX TAG	SUMMARY-STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE
C 381	Continued From page 8 Trauma room with the assistance of 5 people, was disoriented, combative, cursing, kicking, and biting. Continued review at 9:19 a.m. the patient was given Ativan (anti-anxiety medication) 2 mg (milligrams) IV (intravenous), and the patient remained agitated and was placed in 4 point restraint; had an indwelling urinary catheter placed; and urine specimen and lab work obtained all while the physician was at the bedside. Continued review revealed the patient's blood pressure was 166/95 and the pulse was 130. Continued review revealed at 9:37 a.m., the patient received Ativan 1 mg IV, although the patient remained agitated; at 10:30 a.m., the patient received Thiamine (vitamin) 100 mg IV; at 10:31 a.m., the patient received Ativan 1 mg IV, although the patient remained agitated; and at 10:18 a.m., the patient received Succinylcholine (muscle relaxant to facilitate intubation) 3mg, which induced sedation. Continued review revealed at 10:30 a.m., the physician was arranging a transfer for higher level of care. Continued review revealed at 10:55 a.m., the patient's blood pressure was 166/88, pulse was 117, respiration was 24, and oxygen saturation was 94%. Continued review revealed at 11:10 a.m., the physician was at the bedside to intubate (placement of a tube in the patient's throat utilized to administering breathing) the patient. Continued review revealed at 11:15 a.m., the patient received Versed (sedative) 3 mg IV, and remained sedated; at 11:24 a.m., the patient remained sedated and received Norcuron (muscle relaxant utilized to assist in facilitating intubation) 10 mg and Versed 2 mg IV. Continued review revealed at 11:24 a.m., the patient was being bagged (use of equipment to mechanical breath for the patient). Continued	C 381	See Attached	

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

PRINTED: 11/22/2011

Page A-55 VED
ON 1391

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 441306	(X2) MULTIPLE CONSTRUCTION A. BUILDING _____ B. WING _____	(X3) DATE SURVEY COMPLETED 11/09/2011
---	---	--	---

NAME OF PROVIDER OR SUPPLIER

ERLANGER BLEDSOE HOSPITAL

STREET ADDRESS, CITY, STATE, ZIP CODE

71 WHEELERTOWN AVENUE
PIKEVILLE, TN 37367

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE
C 381	<p>Continued From page 9</p> <p>review revealed at 11:50 a.m., the patient was transported to a higher level care hospital by Emergency Medical Services with a final diagnosis of Altered Mental Status.</p> <p>Review of the Clinical Justification Protocol, dated May 19, 2011, at 9:30 a.m., revealed " ...combative ...mittens right and left ...tethered restraints BLE (both lower extremities) ..."</p> <p>Review of the Physician's Order, revealed an order, dated May 19, 2011, at 9:30 a.m., "Behavioral Restraint". Continued review did not reveal an order for Chemical Restraints or the reason, types of Behavior Restraints to be utilized, or the length of time the restraint was to be utilized.</p> <p>Review of the facility policy Restraints/Protective Devices, number PC.050, dated as revised March 2011, revealed " ...use of medical/surgical, behavioral, chemical and special population' restraints ...should only be utilized when it is clinically justified or when warranted by patient behavior that threatens the immediate physical safety of the patient, staff, or others ...types of restraints include: ...mittens ...wrist ...ankle ...leather ...Order for application of restraint ...must indicate reason for restraint usage and type of restraint used ...Behavioral Restraint reason is driven by the primary behavioral health problem such as acute mania, acute psychosis ...each order is ...time limited ...Chemical Restraint: A drug used as a restraint is a medication used to control behavior or to restrict the patient's freedom of movement, and is not a standard of treatment for the patient's medical or psychiatric condition ...A standard treatment for</p>	C 381	See Attached	

DEPARTMENT OF HEALTH AND HUMAN SERVICES

CENTERS FOR MEDICARE & MEDICAID SERVICES

PRINTED: 11/09/2011

Page A-56 JVED
00-0391

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 441306	(X2) MULTIPLE CONSTRUCTION A. BUILDING _____ B. WING _____		(X3) DATE SURVEY COMPLETED 11/09/2011
NAME OF PROVIDER OR SUPPLIER ERLANGER BLEDSOE HOSPITAL			STREET ADDRESS, CITY, STATE, ZIP CODE 71 WHEELERTOWN AVENUE PIKEVILLE, TN 37367		
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE	
C 381	<p>Continued From page 10</p> <p>medication used to address a patient's medical or psychiatric condition would include the following ...used within the pharmaceutical parameters approved ...follows national practice standards ...treat a specific patient's clinical condition based on that patient's targeted symptoms ...enables the patient to more effectively or appropriately function in the world around ...Orders - refer to reason for restraint (same requirements) ..."</p> <p>Interview with the Utilization Review Director, on November 8, 2011, at 10:20 a.m., in the conference room, confirmed the patient was chemically restrained and the medical record did not show any rational for the use of the chemical restraint.</p>	C 381	See Attached		

Erlanger Bledsoe
Plan of Correction
State Survey November 7-9, 2011

Tag C 204 Equipment and Supplies
Expired sutures in the emergency department.

Suture was removed immediately from the patient care area upon notification per state surveyor that although suture was not stamped with expiration date Ethicon had issued a statement stating that all suture without expiration date was manufactured prior to 1998 and should be considered expired. Ethicon was contacted and did e-mail a copy of the original notification that was dated December 2009.

Removal of Suture: With possession of that knowledge the materials management supervisor was notified to discard any suture without expiration dates (those in the ER were only suture found).

Education: All emergency room staff will be educated by 12/15/11 on the fact that all Ethicon suture does expire and must be stamped with an expiration date and cannot be utilized past that date. Records of this education will be on file in the Nursing Directors office.

Monitoring: All sutures will be monitored in the emergency department twice monthly (every other week) per materials management. This monitoring will begin December 2011 and will be ongoing for 4 months and will be reported monthly to the Safety Committee, Joint Quality Committee and to the Accreditation Steering Committee. If any expired suture is identified further actions will be taken as warranted.

Tag C 306 Medical Records
Sliding Scale Insulin dosage

Current Process: Erlanger Bledsoe has sliding scale insulin stickers preprinted in attempt to prevent error. These stickers correspond with mild, moderate, and aggressive sliding scale coverage as decided per medical staff (physician may also write his own custom blood glucose ranges and insulin dosages) Physician indicates by his order which scale he wishes to be followed on a particular patient. The corresponding sticker is placed on the medication administration record and includes blood glucose ranges and amount of insulin to be administered with each range as well as the type insulin to be used. Documentation on the patient medication administration record includes (1) the blood glucose reading at times designated per physician orders (2) initial of nurse drawing up the corresponding amount of insulin and administering the dosage and (3) initial of the nurse who witnesses the drawing up of the correct insulin and correct dosage for the correct patient.

Process/Documentation Change: A fourth area of documentation will be added to include the number of units administered.

Education: All nursing staff will be educated on the above changes by December 15, 2011. Records of this education will be on file in the Nursing Directors office.

Monitoring: Beginning in December 2011 monitoring for appropriate documentation of insulin dosage given will be initiated and will be ongoing for 4 months. These monitoring results will be reported monthly to the Safety Committee meeting, the Joint Quality Committee and to the Accreditation Steering Committee. As individuals are identified that may not document insulin dosage given appropriately; those individuals will be counseled and other actions taken as warranted.

Tag C 306 Medical Records

Tag C 381 Medical Records

Pt. # 5 Restraint of a patient in the Emergency department

Restraints are to only be utilized when there is documentation that clearly describes a patient condition or behavior that presents an immediate threat to the well being of the patient, the staff or others. Record should indicate all other activities that have been utilized and failed prior to the use of restraints.

Counseling and re-education: The nurse documenting on the chart cited will be individually educated. All nursing staff will be re-educated on the use of restraints by 12/15/11. A copy of the current restraint policy is to be placed in notebook at nursing station and all nursing staff will be required to read and sign as acknowledgement. Records of this education will be on file in the Nursing Directors office.

Monitoring: All restraint charts will be monitored for appropriateness of care/documentation beginning December 2011 and will be ongoing for 4 months. The results of this monitoring will be reported monthly to the Safety Committee, the Joint Quality Committee and Accreditation Steering Committee. As individuals are identified that are not documenting appropriately relating to restraint usage, those individuals will be counseled and if warranted further actions taken.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

CENTERS FOR MEDICARE & MEDICAID SERVICES

PRINTED: 11/22/2011

Page A-59 VED
ON J391

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 441306	(X2) MULTIPLE CONSTRUCTION A. BUILDING 01 - MAIN BUILDING 01 B. WING _____	(X3) DATE SURVEY COMPLETED 11/08/2011
---	---	--	---

NAME OF PROVIDER OR SUPPLIER

ERLANGER BLEDSOE HOSPITAL

STREET ADDRESS, CITY, STATE, ZIP CODE

71 WHEELERTOWN AVENUE

PIKEVILLE, TN 37367

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE
K 062	<p>NFPA 101 LIFE SAFETY CODE STANDARD</p> <p>Required automatic sprinkler systems are continuously maintained in reliable operating condition and are inspected and tested periodically. 19.7.6, 4.6.12, NFPA 13, NFPA 25, 9.7.5</p> <p>This STANDARD is not met as evidenced by: Based on observations and records review it was determined the facility failed to maintain the sprinkler system.</p> <p>The findings included:</p> <ol style="list-style-type: none"> 1. Observations of the old surgery room area on 11/8/11 at 9:26 AM, revealed a storage rack installed within 18 inches of the sprinkler. 2. Observation of the old dark room on 11/8/11 at 9:40 AM, revealed the sprinkler was painted and corroded. 3. Record review of the sprinkler system annual inspection/test report dated 6/27/11 on 11/8/11 at 10:30 AM,, revealed the sprinkler system had an incorrect tamper and value installed in triage room 126. 4. Record review on 11/8/11 at 10:35 AM, revealed no quarterly inspections were conducted on the sprinkler system during the 1st and 2nd quarters of 2010. 5. Record review on 11/8/11 at 10:37 AM, revealed no annual sprinkler inspection/test was conducted during 2010. 	K 062	<p>See Attached</p> <p>12/8/11</p> <p>Corrections to the following:</p> <ul style="list-style-type: none"> • Page 2 - # 3 (Monitoring/Tracking) • Page 3 - # 5 (specific date corrected) • Page 3 - # 6 (Dates inspections completed) <p>* Corrections made per the request of Nelson Rodriguez</p> <p>Bzluce</p>	

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

TITLE

(X6) DATE

Stephanie Bupt

Administrator

11-30-11

Any deficiency statement ending with an asterisk (*) denotes a deficiency which the institution may be excused from correcting providing it is determined that other safeguards provide sufficient protection to the patients. (See instructions.) Except for nursing homes, the findings stated above are disclosable 90 days following the date of survey whether or not a plan of correction is provided. For nursing homes, the above findings and plans of correction are disclosable 14 days following the date these documents are made available to the facility. If deficiencies are cited, an approved plan of correction is requisite to continued program participation.

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

PRINTED: 11/08/2011
Page A-60 0391

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 441306	(X2) MULTIPLE CONSTRUCTION A. BUILDING 01 - MAIN BUILDING 01 B. WING	(X3) SURVEY COMPLETED 11/08/2011
---	--	---	---

NAME OF PROVIDER OR SUPPLIER

ERLANGER BLEDSOE HOSPITAL

STREET ADDRESS, CITY, STATE, ZIP CODE

**71 WHEELERTOWN AVENUE
PIKEVILLE, TN 37367**

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE
K 062	Continued From page 1 6. Record review on 11/8/11 at 10:40 AM; revealed no quarterly inspections were conducted on the sprinkler system during the 1st and 3rd quarters of 2011. 7. Record review on 11/8/11 at 10:41 AM, revealed the sprinkler system's 5 year obstruction investigation was overdue (Aug 11). 8. Record review on 11/8/11 at 10:42 AM, revealed the sprinklers system's 5 year gage test or replacement was overdue (Aug 11). These findings were verified by the maintenance supervisor and acknowledged by the administrator during the exit conference on 11/8/1.	K 062	See Attached	

ID Prefix Tag: K 062 NFPA Life Safety Code Standards**Page 1**

Required automatic sprinkler systems are continuously maintained in reliable operating condition and are inspected and tested periodically. 19.7.6.12, NFPA 13, NFPA 25, 9.7.5

The findings included:

1. Observations of the old surgery room area on 11/8/11 at 9:26 AM, revealed a storage rack installed within 18 inches of the sprinkler.

Plan of correction:**Responsibility:**

The Administrator at Erlanger Bledsoe is responsible for the implementation of the corrective action plan and ongoing compliance.

When/How Corrected:

The storage rack shelf cover was lowered below 18 inches on 11/09/11

Monitoring/Tracking for Compliance:

Monitoring of the compliance of the 18 inch clearance will begin December 2011 for 4 months through March 2012 and reported monthly to the Safety Committee at Bledsoe Hospital and to the Accreditation Steering Committee for Erlanger Health System.

2. Observation of the old dark room on 11/8/11 at 9:40 AM revealed the sprinkler was painted and corroded.

Plan of correction:**Responsibility:**

The Administrator at Erlanger Bledsoe is responsible for the implementation of the corrective action plan and ongoing compliance.

When/How Corrected:

On inspection by Mission Fire Sprinkler, LLC, the sprinkler in the "old dark room" was found to be covered with dust and cleaned on 11/28/2011. No paint was present on the sprinkler as stated in this report. (Exhibit 5).

Monitoring/Tracking for Compliance:

A quarterly inspection is completed by Mission Fire Sprinkler, LLC of all facilities in the Erlanger Health System including Bledsoe Hospital. Sprinklers are inspected for current condition, free of corrosion, paint or loading and visible obstructions, for the condition of the exterior piping, drain valves, check valves, hangers, and pressure gauge. A report of inspection is submitted to Director of Engineering for Erlanger Health System. Any deficiencies present at the time of inspection are corrected and noted on the report.

3. Record review of the sprinkler system annual inspection/test report dated 6/27/11 on 11/8/11 at 10:30 A.M., revealed the sprinkler system had an incorrect tamper and valve installed in triage room 126.

Plan of Correction:

Responsibility:

The Administrator at Erlanger Bledsoe is responsible for the implementation of the corrective action plan and ongoing compliance.

When/How Corrected:

The tamper and valve line in triage room 126 was traced by Mission Fire Sprinkler, LLC and revealed it was not a fire sprinkler line. It is the main supply line for domestic water in the Penthouse. The fire system signs were removed and engineering was notified that the tamper switch needed to be removed from the Fire Alarm Panel programming. This was completed on 11/28/2011. (See Exhibit 5)

Monitoring/Tracking for Compliance:

A manual system is in place by engineering to monitor compliance of all inspections and will be continued. Monitoring will be reported quarterly to the Accreditation Steering Committee and the Environment of Care Committee.

The long range goal is to complete the installation of the new work order system by the first quarter of 2012. Training of the engineering staff of the new work order system which is part of the long range goal is scheduled for January 17, 18, and 19, 2012 of the system.

4. Record review on 11/8/11 at 10:35 AM, revealed no quarterly inspections was conducted on the sprinkler system during the 1st and 2nd quarters of 2010.

Plan of Correction:

Responsibility:

The Administrator at Erlanger Bledsoe is responsible for the implementation of the corrective action plan and ongoing compliance.

When/How Corrected:

The quarterly inspections of the sprinkler system for 1st quarter was completed on April 14, 2010 and 2nd quarter testing was completed on July 21, 2010 of 2010 were completed and are included with this report. (Exhibit 1 & 2). No further follow up is needed.

Monitoring/Tracking for Compliance:

Continue quarterly sprinkler system inspections as scheduled.

5. Record review on 11/8/11 at 10:37 AM, revealed no annual sprinkler inspection/test was conducted during 2010.

Plan of Correction:

Responsibility:

The Administrator at Erlanger Bledsoe is responsible for the implementation of the corrective action plan and ongoing compliance.

When/How Corrected:

Mission Fire Sprinkler, LLC completes all annual requirements during quarterly report for areas that are listed on the report. An annual walk through is completed and will be documented on the quarterly report beginning on December 6, 2011.

Monitoring/Tracking for Compliance:

Annual sprinkler inspection/testing and walk through will be documented on the quarterly report beginning December 6, 2011. (See Exhibit 5)

6. Record review on 11/8/11 at 10:40 AM, revealed no quarterly inspections were conducted on the sprinkler system during the 1st and 3rd quarters of 2011.

Plan of Correction:

Responsibility:

The Administrator at Erlanger Bledsoe is responsible for the implementation of the corrective action plan and ongoing compliance.

When/How Corrected:

The quarterly inspections of the sprinkler system for 1st quarter was completed on March 22, 2011 and 3rd quarter testing was completed on September 29, 2011 and are included with this report. (Exhibit 3 & 4). No further follow up is needed.

Monitoring/Tracking for Compliance:

Continue quarterly sprinkler system inspections as scheduled.

K 062 continued

Page 4

7. Record review on 11/8/11 at 10:41 AM, revealed the sprinkler system's 5 year obstruction investigation was overdue (Aug 11).

Plan of Correction:

Responsibility:

The Administrator at Erlanger Bledsoe is responsible for the implementation of the corrective action plan and ongoing compliance.

When/How Corrected:

The 5 year obstruction investigation of the sprinkler system for Bledsoe Hospital was completed the week of 11/28/11.

Monitoring/Tracking for Compliance:

A manual system is in place by engineering to monitor compliance of all inspections. A new work order system which will be utilized for tracking/monitoring has been purchased and installation to be completed by January 2012. Training of the engineering staff is scheduled for January 17, 18, and 19 2012 of the system. Monitoring will be reported quarterly to the Accreditation Steering Committee and the Environment of Care Committee.

8. Record review on 11/8/11 at 10:42 AM, revealed the sprinkler system 5 year gage test or replacement was overdue (Aug 11).

Plan of Correction:

Responsibility:

The Administrator at Erlanger Bledsoe is responsible for the implementation of the corrective action plan and ongoing compliance.

When/How Corrected:

The 5 year gage test/replacement of the sprinkler system for Bledsoe Hospital was completed the week of 11/28/11.

Monitoring/Tracking for Compliance:

A manual system is in place by engineering to monitor compliance of all inspections. A new work order system which will be utilized for tracking/monitoring has been purchased and installation to be completed by January 2012. Training of the engineering staff is scheduled for January 17, 18, and 19 2012 of the system. Monitoring will be reported quarterly to the Accreditation Steering Committee and the Environment of Care Committee.

15T 9
Page A
2010

- b. Are cold water valves in the appropriate open or closed position? _____
If closed, has piping been drained? _____
- c. Has the owner or owner's representative been advised that cold water valves are not recommended by NFPA? _____
- d. Have all the antifreeze systems been tested? _____
- e. Date antifreeze systems were tested: _____
- f. The antifreeze tests indicate protection to _____ systems 1 2 3 4 5 temperature _____
- g. Did alarm valves, waterflow alarm indicators and retards test satisfactorily? _____

AMERICAN FIRE SPRINKLERS, LLC.

SPRINKLER REPORT

NO 19

CONFERRED WITH
JAMES HENRY

REPORT OF INSPECTION

Set 2 Of 2

		Yes	N/A	No*
6. DRY SYSTEMS				
a. No. of systems	N/A			
Make & Model		NOT APPLICABLE		
Date last trip tested				
b. Is the air pressure and priming water levels normal			X	
c. Did the air compressor operate satisfactorily?			X	
d. Were all low points drained during this inspection?				
e. Did all quick opening devices operate satisfactorily?			X	
f. Did all the dry valves operate satisfactorily during this inspection?			X	
g. Do dry valves appear to be protected from freezing				
h. Is the dry valve house heated?			X	
7. SPECIAL SYSTEMS				
a. No. of systems	N/A			
Make & Model				
Type			X	
b. Were valves tested as required			X	
c. Did all heat responsive systems operate satisfactorily?			X	
d. Did the supervisory features operate during testing?			X	
Heat Responsive Devices: Type		Type of test		
Valve No.	1 2 3 4 5 6	Valve No.	1 2 3 4 5 6	
Valve No.	1 2 3 4 5 6	Valve No.	1 2 3 4 5 6	
Valve No.	1 2 3 4 5 6	Valve No.	1 2 3 4 5 6	
Valve No.	1 2 3 4 5 6	Valve No.	1 2 3 4 5 6	
Auxiliary equipment:		NO* Type		
		Location		
		Test results		

		Yes	N/A	No*
8. ALARMS				
a. Did the water motors and gong operate during testing?			X	
b. Did the electric alarms operate during testing?		X		
c. Did the supervisory alarms operate during testing?				X
9. SPRINKLERS - PIPING				
a. Do sprinklers generally appear to be in good external condition?		X		
b. Do sprinklers generally appear to be free of corrosion, paint, or loading and visible obstructions		X		
c. Are extra sprinklers available on the premises		X		
d. Does the exterior condition of piping, drain valves, check valves, hangers, pressure gauges, open sprinklers and strainers appear to be satisfactory?			X	
e. Does the hand hose on the sprinkler system appear to be in satisfactory condition?			X	

10. EXPLANATION OF "NO" ANSWERS (For Sections 1B thru 9):

1. SOME HEADS PARTIALLY BLOCKED IN THESE AREAS: 2- CENTRAL STERILE, CLOSET END OF HALL, 1- HEAD NURSES STATION COPPER AREA, 1- HEAD EDUCATIONAL ROOM.

2. AREAS NOT SPRINKLED: PENTHOUSE #2 UNDER DUCT OVER 4'X4' WIDE.

3. MAIN RISER BUTTERFLY VALVE DID NOT SHOW MOVEMENT AT PANEL WHEN CUT OFF. THIS NEEDS TO BE CHECKED BY ALARM TECH.

11. THE INSPECTOR SUGGESTS THE FOLLOWING NECESSARY IMPROVEMENTS, HOWEVER, THESE SUGGESTIONS ARE NOT THE RESULT OF AN ENGINEERING SURVEY:

4. CONCRETE ON FIRE PIT BLOCKS THE TEST PORTS ON DOUBLE CHECKS IN PIT, THERE IS NO WAY TO TEST THIS DEVICE. THE DOUBLE CHECKS NEED TO BE TESTED ANNUALLY BY STATE LAW.

5. NO INSPECTORS TEST VALVE AT END OF HALL CLOSE TO NURSING HOME. MANUAL TEST ON SOME FLOW SWITCHES. KEEP ALL AREAS WITH WET PIPING HEATED DURING COLD WEATHER TO PREVENT FREEZING DAMAGE TO WET SYSTEM.

12. ADJUSTMENTS OR CORRECTIONS MADE:

SYSTEM WAS FLUSHED AND FLOW TESTED. MAIN CONTROL VALVE WAS OPERATED AND SECURED OPEN.

13. LIST CHANGES IN THE OCCUPANCY HAZARD OR FIRE PROTECTION EQUIPMENT, AS ADVISED BY THE OWNER IN SECTION 1A:

14. INSPECTION AND SUGGESTED IMPROVEMENTS WERE DISCUSSED WITH THE UNDERSIGNED OWNER OR OWNERS REPRESENTATIVE?

Signature of owner or owner's representative ERLANGER OF BLEDSOE 21 1ST -QTR-2010 Date 14-APRIL-10

FOR ANY QUESTIONS AMERICAN FIRE SPRINKLERS, LLC. (423) 648-6014

ADDRESS P.O. BOX 5563

CITY & STATE CHATTANOOGA, TN. 37406

ATT. CLARK CRAWFORD (423) 595-4224

2nd quarter

P.O. BOX 5563
CHATTANOOGA, TN. 37406
(423)648-6014

Set 1 Of 2

LOCATION INSPECTED SAME
INSPECTOR ROBERT DARDEN
FREQUENT & PHOTO QUARTERLY (423) 447-2112
DATE 7/21/10 2ND - QUARTER-2010

1. GENERAL

- A. (To be answered by the Owner or Owner's representative)

- a. Have there been any changes in the occupancy classification, machinery or operations since the last inspection?
- b. Have there been any changes or repairs to the fire protection systems since the last inspection?
- c. If a fire has occurred since the last inspection, have all damaged sprinkler system components been replaced?
- d. Has the piping in all dry systems been checked for proper pitch within the past five years?
Date last checked NEW 2007 (checking is recommended at least every 5 years)
- e. Has the piping in all systems been checked for obstructive materials?
Date last checked NEW 2007 (checking is recommended at least every 5 years)
- f. Have all fire pumps been tested to their full capacity through the use of hose streams or flow meters within the past 12 months?
- g. Are gravity, surface or pressure tanks protected from freezing?
- h. Are any of the sprinklers 50 years old or older? (testing and/or replacement is recommended for such sprinklers)

- B. (To be answered by the inspector)**

- Have the sprinkler systems been extended to all visible areas of the building?
- Does there appear to be proper clearance between the top of all storage and the sprinkler deflector?
- Are the building areas protected by a wet system, heated, including its blind attics and perimeter areas, where accessible?
- Are all visible exterior openings protected against the entrance of cold air?

2. CONTROL VALVES

- a. Are all sprinkler system main control valves and all other valves in the appropriate open or closed position?
- b. Are all control valves sealed or supervised in the open position?

Control Valves	Number of Valves	Type	Easily Accessible		Signs		Valve Open		Secured? If yes how?		Sealed Locked	Supervision Operational	
			Yes	No	Yes	No	Yes	No	Yes	No	Supv'd	Yes	No
CITY CONNECTION TANK PUMP	2	OS&Y, PIV	1	1	1		2		2		SEAL	1	
SECTIONAL SYSTEM ALARM LINE	5 1	BUTT BUTT	5 1		5 1		5 1		5 1		SEAL LOCK	6	1

3. WATER SUPPLIES

- a. Water supply source? City

Gravity Tank

Pressure Fire Pump & Tank

Pressure Fire Pump & City

Pressure Fire Pump & Pond

Waterflow Test Results Made During This Inspection

[illegible]

4. TANKS, PUMPS, FIRE DEPT. CONNECTIONS

- a. Do fire pumps, gravity, surface or pressure tanks appear to be in good external condition
- b. Are gravity, surface and pressure tanks at the proper pressure and/or water level
- c. Are fire dept. connections in satisfactory condition, couplings free, caps or plugs in place and check valves tight
- d. Are fire dept. connections visible and accessible?

5. WET SYSTEMS

- a. No. of systems 1 Make & Model WET RISER WITH FLOW SWITCH
- b. Are cold water valves in the appropriate open or closed position? _____
If closed, has piping been drained? _____
- c. Has the owner or owner's representative been advised that cold water valves are not recommended by NFPA? _____
- d. Have all the antifreeze systems been tested? _____
- e. Date antifreeze systems were tested _____
- f. The antifreeze tests indicate protection to _____
systems 1 2 3 4 5 _____ temperatures
- g. Did alarm valves, waterflow alarm indicators and relays test satisfactory? _____

AMERICAN FIRE SPRINKLERS, LLC.

SPRINKLER REPORT

NO 22

CONFERRED WITH
JAMES HENRY

REPORT OF INSPECTION

Set 2 Of 2

6. DRY SYSTEMS

	Yes	N/A	No
a. No. of systems <u>N/A</u> Make & Model <u>NOT APPLICABLE</u>			
Date last trip tested _____			
b. Is the air pressure and priming water levels normal _____		X	
c. Did the air compressor operate satisfactorily? _____		X	
d. Were all low points drained during this inspection? _____		X	
e. Did all quick opening devices operate satisfactorily? _____		X	
f. Did all the dry valves operate satisfactorily during this inspection? _____		X	
g. Do dry valves appear to be protected from freezing _____		X	
h. Is the dry valve house heated? _____		X	

7. SPECIAL SYSTEMS

	Yes	N/A	No
a. No. of systems <u>N/A</u> Make & Model _____			
Type _____		X	
b. Were valves tested as required _____		X	
c. Did all heat responsive systems operate satisfactorily? _____		X	
d. Did the supervisory features operate during testing? _____		X	
Heat Responsive Devices: Type _____		X	
Valve No. <u>1</u> <u>2</u> <u>3</u> <u>4</u> <u>5</u> <u>6</u> <u>7</u> <u>8</u> Type of test _____			
Valve No. <u>1</u> <u>2</u> <u>3</u> <u>4</u> <u>5</u> <u>6</u> <u>7</u> <u>8</u> Valve No. <u>1</u> <u>2</u> <u>3</u> <u>4</u> <u>5</u> <u>6</u> <u>7</u> <u>8</u>			
Valve No. <u>1</u> <u>2</u> <u>3</u> <u>4</u> <u>5</u> <u>6</u> <u>7</u> <u>8</u> Valve No. <u>1</u> <u>2</u> <u>3</u> <u>4</u> <u>5</u> <u>6</u> <u>7</u> <u>8</u>			
Valve No. <u>1</u> <u>2</u> <u>3</u> <u>4</u> <u>5</u> <u>6</u> <u>7</u> <u>8</u> Valve No. <u>1</u> <u>2</u> <u>3</u> <u>4</u> <u>5</u> <u>6</u> <u>7</u> <u>8</u>			
Auxiliary equipment: <u>NO</u> Type _____			
Location _____			
Test results _____			

8. ALARMS

	Yes	N/A	No
a. Did the water motors and gong operate during testing? _____		X	
b. Did the electric alarms operate during testing? _____	X		
c. Did the supervisory alarms operate during testing? _____			X

9. SPRINKLERS - PIPING

	Yes	N/A	No
a. Do sprinklers generally appear to be in good external condition? _____	X		
b. Do sprinklers generally appear to be free of corrosion, paint, or loading and visible obstructions? _____	X		
c. Are extra sprinklers available on the premises? _____	X		
d. Does the exterior condition of piping, drain valves, check valves, hangers, pressure gauges, open sprinklers and strainers appear to be satisfactory? _____		X	
e. Does the hand hose on the sprinkler system appear to be in satisfactory condition? _____		X	

10. EXPLANATION OF "NO" ANSWERS (For Sections 1B thru 9):

1. SOME HEADS PARTIALLY BLOCKED IN THESE AREAS: 2- CENTRAL STERILE, CLOSET END OF HALL,
1- HEAD NURSES STATION COPPER AREA, 1-HEAD EDUCATIONAL ROOM.
2. AREAS NOT SPRINKLED: PENTHOUSE #2 UNDER DUCT OVER 4'X4' WIDE.
3. MAIN RISER BUTTERFLY VALVE DID NOT SHOW MOVEMENT AT PANEL WHEN CUT OFF. THIS NEEDS TO BE CHECKED BY ALARM TECH.
11. THE INSPECTOR SUGGESTS THE FOLLOWING NECESSARY IMPROVEMENTS, HOWEVER, THESE SUGGESTIONS ARE NOT THE RESULT OF AN ENGINEERING SURVEY:

4. CONCRETE ON FIRE PIT BLOCKS THE TEST PORTS ON DOUBLE CHECKS IN PIT, THERE IS NO WAY TO TEST THIS DEVICE.
THE DOUBLE CHECKS NEED TO BE TESTED ANNUALLY BY STATE LAW.
5. NO INSPECTORS TEST VALVE AT END OF HALL CLOSE TO NURSING HOME. MANUAL TEST ON SOME FLOW SWITCHES.
KEEP ALL AREAS WITH WET PIPING HEATED DURING COLD WEATHER TO PREVENT FREEZING DAMAGE TO WET SYSTEM.
12. ADJUSTMENTS OR CORRECTIONS MADE:
SYSTEM WAS FLUSHED AND FLOW TESTED. MAIN CONTROL VALVE WAS OPERATED AND SECURED OPEN.

13. LIST CHANGES IN THE OCCUPANCY HAZARD OR FIRE PROTECTION EQUIPMENT, AS ADVISED BY THE OWNER IN SECTION 1A:

14. INSPECTION AND SUGGESTED IMPROVEMENTS WERE DISCUSSED WITH THE UNDERSIGNED OWNER OR OWNERS REPRESENTATIVE?

Signature of owner or owner's representative ERLANGER OF BLEDSOE 22 2ND -QTR-2010 Date 21-JULY-10

FOR ANY QUESTIONS AMERICAN FIRE SPRINKLERS, LLC. (423)848-6014

ADDRESS P.O. BOX 6563

CITY & STATE CHATTANOOGA, TN. 37408

ATT. ROBERT DARDEN

REPORT OF INSPECTION

Set 1 Of 2

NO 2

CONFERRED WITH

~~Danny-McCurdy/James-Henry~~

REPORT TO	Erlanger of Bledsoe	LOCATION INSPECTED	Same
ADDRESS	128 Wheeler Town Road	INSPECTOR	Damon Rice
CITY & STATE	Pikeville, Tn 37367	FREQUENT & PHONE	Quarterly 423-776-3393
ATT.	James Henry	DATE	22-Mar-11

1. GENERAL

A. (To be answered by the Owner or Owner's representative)

- Have there been any changes in the occupancy classification, machinery or operations since the last inspection?
- Have there been any changes or repairs to the fire protection systems since the last inspection?
- If a fire has occurred since the last inspection, have all damaged sprinkler system components been replaced?
- Has the piping in all dry systems been checked for proper pitch within the past five years?
Date last checked N/A (checking is recommended at least every 5 years)
- Has the piping in all systems been checked for obstructive materials?
Date last checked N/A (checking is recommended at least every 5 years)
- Have all fire pumps been tested to their full capacity through the use of hose streams or flow meters within the past 12 months?
- Are gravity, surface or pressure tanks protected from freezing?
- Are any of the sprinklers 50 years old or older? (testing and/or replacement is recommended for such sprinklers)
- Are any extra high temperature solder sprinklers regularly exposed to temperatures near 300 F?

B. (To be answered by the inspector)

- a. Have the sprinkler systems been extended to all visible areas of the building?
- b. Does there appear to be proper clearance between the top of all storage and the sprinkler deflector? (18" is needed)
- c. Are the building areas protected by a wet system, heated, including its blind attics and perimeter areas, where accessible?
- d. Are all visible exterior openings protected against the entrance of cold air?

2. CONTROL VALVES

- a. Are all sprinkler system main control valves and all other valves in the appropriate open or closed position?
- b. Are all control valves sealed or supervised in the open position?

Control Valves	Number of Valves	Type	Easily Accessible		Signs		Valve Open		Secured? If yes how?		Sealed Locked Supv'd	Supervision Operational	
			Yes	No	Yes	No	Yes	No	Yes	No		Yes	No
CITY CONNECTION TANK PUMP	2	PIV/O,S,&Y	X		X		X		X		Supv'd	X	
SECTIONAL SYSTEM ALARM LINE	4 1	BFV BFV	X X		X X		X X		X X		Supv'd Supv'd	X X	

3. WATER SUPPLIES

- a. Water supply source? City Gravity Tank

Waterflow Test Results Made During This Inspection

Pressure Fire Pump & Tank

Pressure Fire Pump & City

Pressure Fire Pump & Pond

[illegible]

4. TANKS, PUMPS, FIRE DEPT. CONNECTIONS

- a. Do fire pumps, gravity, surface or pressure tanks appear to be in good external condition? _____
- b. Are gravity, surface and pressure tanks at the proper pressure and/or water levels? _____
- c. Are fire dept. connections in satisfactory condition, couplings free, caps or plugs in place and check valves tight? _____
- d. Are fire dept. connections visible and accessible? _____

6. WET SYSTEMS

- a. No. of systems 1 Make & Model _____
 b. Are cold weather valves in the appropriate open or closed position? _____
 If closed, has piping been drained? _____
 c. Has the owner or owner's representative been advised that cold water valves are not recommended by NFPA? _____
 d. Have all the antifreeze systems been tested? _____
 e. Date antifreeze systems were tested _____
 f. The antifreeze tests indicate protection to: _____
 systems 1 2 3 4 5 _____ temperature
 g. Did alarm valves, waterflow alarm indicators and retards test satisfactorily? _____

Mission Fire Sprinkler, LLC

REPORT OF INSPECTION

Set 2 Of 2

SPRINKLER REPORT

NO 2

CONFERRED WITH

James Henry

6. DRY SYSTEMS

a. No. of systems N/A Make & Model Not Applicable

Date last trip tested

b. Is the air pressure and priming water levels normal?

c. Did the air compressor operate satisfactorily?

d. Were all low points drained during this inspection?

e. Did all quick opening devices operate satisfactorily?

f. Did all the dry valves operate satisfactorily during this inspection?

g. Do dry valves appear to be protected from freezing?

h. Is the dry valve house heated?

7. SPECIAL SYSTEMS

a. No. of systems N/A Make & Model Not Applicable

Type

b. Were valves tested as required?

c. Did all heat responsive systems operate satisfactorily?

d. Did the supervisory features operate during testing?

Heat Responsive Devices: Type

Type or test

Valve No. 1 2 3 4 5 6 Valve No. 1 2 3 4 5 6Valve No. 1 2 3 4 5 6 Valve No. 1 2 3 4 5 6Valve No. 1 2 3 4 5 6 Valve No. 1 2 3 4 5 6Valve No. 1 2 3 4 5 6 Valve No. 1 2 3 4 5 6

Auxiliary equipment:

NO Type

Location

Test results

8. ALARMS

a. Did the water motors and gong operate during testing?

b. Did the electric alarms operate during testing?

c. Is the facility monitored by a monitoring company?

9. SPRINKLERS - PIPING

a. Do sprinklers generally appear to be in good external condition?

b. Do sprinklers generally appear to be free of corrosion, paint, or loading and visible obstructions?

c. Are extra sprinklers and wrench available on the premises?

d. Does the exterior condition of piping, drain valves, check valves, hangers, pressure gauges, open sprinklers and strainers appear to be satisfactory?

e. Does the hand hose on the sprinkler system appear to be in satisfactory condition?

10. EXPLANATION OF "NO" ANSWERS (For Sections 1B thru 9):

All flow switches other than main riser checked manually, No Inspector's Test Connections. Tamper on valve in Triage room #126 is improper tamper for valve. Recommend installing proper fire protection valve and tamper switch.

11. THE INSPECTOR SUGGESTS THE FOLLOWING NECESSARY IMPROVEMENTS, HOWEVER, THESE SUGGESTIONS ARE NOT THE RESULT OF AN ENGINEERING SURVEY:

Keep all areas of wet pipe systems heated at all times to prevent freezing conditions with system.

12. ADJUSTMENTS OR CORRECTIONS MADE:

Systems were flushed and flow tested. Alarms responded, Main control valves are secured open.

13. LIST CHANGES IN THE OCCUPANCY HAZARD OR FIRE PROTECTION EQUIPMENT, AS ADVISED BY THE OWNER IN SECTION 1A:

This inspection is not an engineering survey and does not represent a complete loss control analysis.

14. INSPECTION AND SUGGESTED IMPROVEMENTS WERE DISCUSSED WITH THE UNDERSIGNED OWNER OR OWNERS REPRESENTATIVE?

Signature of owner or owner's representative

Erlanger of Bledsoe

Date MARCH 22, 2011

FOR ANY QUESTIONS CALL:

Mission Fire Sprinkler, LLC

ADDRESS

P.O. Box 80517

CITY & STATE

Chattanooga, TN 37414

ATT.

Damon Rice

REPORT OF INSPECTION

SPRINKLER REPORT
NO 4

NO 4

CONFERRER WITH

Danny McCurdy/James Henry

REPORT TO Erlanger-Bledsoe Danny McCurdy/James Henry
 ADDRESS 128 Wheeler Town Road
 CITY & STATE Pikeville, Tn 37367
 ATT. James Henry
 LOCATION INSPECTED Same
 INSPECTOR Derek Swanson
 FREQUENT & PHONE Quarterly/ 423-447-5282
 DATE 29-Sep-11

1. GENERAL

1. GENERAL

A. (To be answered by the Owner or Owner's representative)

- a. Have there been any changes in the occupancy classification, machinery or operations since the last inspection?
 - b. Have there been any changes or repairs to the fire protection systems since the last inspection?
 - c. If a fire has occurred since the last inspection, have all damaged sprinkler system components been replaced?
 - d. Has the piping in all dry systems been checked for proper pitch within the past five years?
Date last checked N/A (checking is recommended at least every 5 years)
 - e. Has the piping in all systems been checked for obstructive materials?
Date last checked N/A (checking is recommended at least every 5 years)
 - f. Have all fire pumps been tested to their full capacity through the use of hose streams or flow meters within the past 12 months?
 - g. Are gravity, surface or pressure tanks protected from freezing?
 - h. Are any of the sprinklers 50 years old or older? (testing and/or replacement is recommended for such sprinklers)
 - i. Are any extra high temperature solder sprinklers regularly exposed to temperatures near 300 F?
- B. (To be answered by the Inspector)

B. (To be answered by the Inspector)

- Have the sprinkler systems been extended to all visible areas of the building?
- Does there appear to be proper clearance between the top of all storage and the sprinkler deflector? (18" is needed)
- Are the building areas protected by a wet system, heated, including its blind attics and perimeter areas, where accessible?
- Are all visible exterior openings protected against the entrance of cold air?

2. CONTROL VALVES

- a. Are all sprinkler system main control valves and all other valves in the appropriate open or closed position?
b. Are all control valves sealed or supervised in the open position?

Control Valves	Number of Valves	Type	Easily Accessible		Signs		Valve Open		Secured? If yes how?		Sealed Locked Supvd	Supervision Operational	
			Yes	No	Yes	No	Yes	No	Yes	No		Yes	No
CITY CONNECTION TANK	2	PIV/O,S,&Y	X		X		X		X		Supvd	X	
PUMP													
SECTIONAL SYSTEM	4	BFV	X		X		X		X		Supvd	X	
ALARM LINE	1	BFV	X		X		X		X		Supvd	X	

3. WATER SUPPLIES

- a. Water supply source? City X

Gravity Tank

Pressure Fire Pump & Tank

Pressure Fire Pump & City

Pressure Fire Pump & Pond

Waterflow Test Results Made During This Inspection

Pressure Test Results made During This Inspection					Pressure Fire Pump & Pond				
Test pipe located	Size test pipe	Static Pressure Before	Flow Pressure	Static Pressure After	Test pipe location	Size test pipe	Static Pressure Before	Flow Pressure	Static Pressure After
Riser	2"	85	85	75					

4. TANKS, PUMPS, FIRE DECK CONNECTIONS

4. TANKS, PUMPS, FIRE DEPT. CONNECTIONS

- a. Do fire pumps, gravity, surface or pressure tanks appear to be in good external condition? _____
- b. Are gravity, surface and pressure tanks at the proper pressure and/or water levels? _____
- c. Are fire dept. connections in satisfactory condition, couplings free, caps or plugs in place and check valves tight? _____
- d. Are fire dept. connections visible and accessible? _____

6. WET SYSTEMS

- a. No. of systems 1 Make & Model 4" Tamper & Flow with 4-2" sectional valves with T&F
 b. Are cold weather valves in the appropriate open or closed position? _____
 If closed, has piping been drained? _____
 c. Has the owner or owner's representative been advised that cold water valves are not recommended by NFPA? _____
 d. Have all the antifreeze systems been tested? _____
 e. Date antifreeze systems were tested _____
 f. The antifreeze tests indicate protection to: _____
 systems 1 2 3 4 5 _____ temperature
 g. Did alarm valves, waterflow alarm indicators and retards test satisfactorily? _____

Mission Fire Sprinkler, LLC

REPORT OF INSPECTION

Set 2 Of 2

SPRINKLER REPORT
NO 4CONFERRED WITH
James Henry**6. DRY SYSTEMS**

	Yes	N.A	No*
a. No. of systems N/A Make & Model Not Applicable			
Date last trip tested			
b. Is the air pressure and priming water levels normal?			
c. Did the air compressor operate satisfactorily?		X	
d. Were all low points drained during this inspection?		X	
e. Did all quick opening devices operate satisfactorily?			
f. Did all the dry valves operate satisfactorily during this inspection?		X	
g. Do dry valves appear to be protected from freezing?		X	
h. Is the dry valve house heated?		X	

7. SPECIAL SYSTEMS

	Yes	N.A	No*
a. No. of systems N/A Make & Model Not Applicable			
Type			
b. Were valves tested as required?		X	
c. Did all heat responsive systems operate satisfactorily?		X	
d. Did the supervisory features operate during testing?		X	
Heat Responsive Devices: Type		X	
Valve No. 1 2 3 4 5 6 Valve No. 1 2 3 4 5 6			
Valve No. 1 2 3 4 5 6 Valve No. 1 2 3 4 5 6			
Valve No. 1 2 3 4 5 6 Valve No. 1 2 3 4 5 6			
Valve No. 1 2 3 4 5 6 Valve No. 1 2 3 4 5 6			
Auxiliary equipment: NO Type Location Test results			

8. ALARMS

	Yes	N.A	No*
a. Did the water motors and gong operate during testing?	X		
b. Did the electric alarms operate during testing?	X		
c. Is the facility monitored by a monitoring company?	X		

9. SPRINKLERS - PIPING

	Yes	N.A	No*
a. Do sprinklers generally appear to be in good external condition?	X		
b. Do sprinklers generally appear to be free of corrosion, paint, or loading and visible obstructions?	X		
c. Are extra sprinklers and wrench available on the premises?	X		
d. Does the exterior condition of piping, drain valves, check valves, hangers, pressure gauges, open sprinklers and strainers appear to be satisfactory?	X		
e. Does the hand hose on the sprinkler system appear to be in satisfactory condition?	X		

10. EXPLANATION OF "NO" ANSWERS (For Sections 1B thru 9):

All flow switches other than main riser checked manually, No Inspector's Test Connections. Tamper on valve in Triage room #126 is improper tamper for valve. Recommend installing proper fire protection valve and tamper switch.

11. THE INSPECTOR SUGGESTS THE FOLLOWING NECESSARY IMPROVEMENTS, HOWEVER, THESE SUGGESTIONS ARE NOT THE RESULT OF AN ENGINEERING SURVEY:

Keep all areas of wet pipe systems heated at all times to prevent freezing conditions with system.

12. ADJUSTMENTS OR CORRECTIONS MADE:

Systems were flushed and flow tested. Alarms responded. Main control valves are secured open.

13. LIST CHANGES IN THE OCCUPANCY HAZARD OR FIRE PROTECTION EQUIPMENT, AS ADVISED BY THE OWNER IN SECTION 1A:

This inspection is not an engineering survey and does not represent a complete loss control analysis.

14. INSPECTION AND SUGGESTED IMPROVEMENTS WERE DISCUSSED WITH THE UNDERSIGNED OWNER OR OWNERS REPRESENTATIVE?

Signature of owner or owner's representative Erlanger of Bledsoe

Date 9/29/2011

FOR ANY QUESTIONS CALL: Mission Fire Sprinkler, LLC

ADDRESS P.O. Box 80517

CITY & STATE Chattanooga, Tn. 37414

ATT. Derek Swanson



EXHIBIT 5

"A New Level of Service"

P.O. Box 80517
Chattanooga, Tennessee 37414
Phone (423) 710-1944
Fax (423) 710-1955

November 30, 2011

Erlanger Health Systems
979 E. 3rd Street
Chattanooga, Tn. 37403

Attn: Marc Thomas

RE: Inspection repairs for Bledsoe

Marc,

Per our conversation, I am providing this letter to inform you that we in progress of making the needed repairs from the last inspection report. I have a list of the completed areas below:

1. We performed the 5 year stoppage test at Erlanger Bledsoe on 11/28-29/2011. I will send pictures. Systems are in satisfactory condition.
2. We replaced the gauges and repaired the sprinkler in the Darkroom at Erlanger Bledsoe on 11/28/2011.
3. We traced the line down from room 126 and found that it is not a fire sprinkler line. It is the main supply line for domestic water in the Penthouse. The fire system signs were removed and James Henry was notified that the tamper switch is to be removed from the Fire Alarm Panel programming. This was done on 11/28/2011.
4. We added a sprinkler in the Penthouse under the ductwork to allow for proper coverage on 11/29/2011.
5. Mission Fire Sprinkler, LLC performs inspections on a quarterly basis for the hospital and while we are on site we perform the annual inspection at that time.

Thank you for the opportunity to work for you. If you have any questions, please call me at 423-255-6344.

Sincerely,

Terry Mitchell

Division of Health Care Facilities

State Tags

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: TNP5315	(X2) MULTIPLE CONSTRUCTION A. BUILDING B. WING 2012 SEP 11 AM 9:53	(X3) DATE SURVEY COMPLETED 11/09/2011
NAME OF PROVIDER OR SUPPLIER ERLANGER BLEDSOE HOSPITAL		STREET ADDRESS, CITY, STATE, ZIP CODE 71 WHEELERTOWN AVENUE PIKEVILLE, TN 37367		
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
P 312	1200-8-30-.03 (1)(j)1. Administration (1) The hospital administration shall provide the following: (j) Incorporation into the hospital existing quality assessment and improvement program, a review of the following pediatric issues and indicators: 1. deaths; This Rule is not met as evidenced by: Based on review of the facility Pediatric Facility Notebook (PFN) and Medical Executive Committee (MEC) Meeting Minutes and interview, the facility failed to ensure the pediatric deaths were reported to the Medical Executive Committee. The findings included: Review of the PFN revealed the information on pediatric death was being collected for Quality Improvement (QI) tracking. Review of the MEC Meeting Minutes revealed the Emergency Department (ED) QI data was being reported. Continued review revealed there was no breakdown of the PFN QI data to reflect pediatric information being separated and reported separately to the MEC. Interview in the conference room on November 9, 2011, at 10:10 a.m., with the Director of QI, confirmed the PFN QI data on pediatric deaths was not available to the MEC.	P 312	Tag 312 Plan of Correction Pediatric deaths will continue to be monitored and this information will be reported monthly to the Safety Committee and the Joint Quality Committee and to the Medical Executive Committee Quarterly. Monitoring Monitoring for compliance will begin December 2011 and continue through March 2012. Responsibility Administration of Erlanger Bledsoe is responsible for the implementation of the corrective action plan and on going compliance.	12/01/11
P 313	1200-8-30-.03 (1)(j)2. Administration (1) The hospital administration shall provide the following: (j) Incorporation into the hospital existing quality	P 313		

Division of Health Care Facilities

Stephanie Bynum

Administrative

TITLE

12/8/11

(X8) DATE

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

DATE FORM

0000

MZOU11

If continuation sheet 1 of 8

Division of Health Care Facilities

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: TNP5315	(X2) MULTIPLE CONSTRUCTION A. BUILDING _____ B. WING _____	(X3) DATE SURVEY COMPLETED 11/09/2011
NAME OF PROVIDER OR SUPPLIER ERLANGER BLEDSOE HOSPITAL		STREET ADDRESS, CITY, STATE, ZIP CODE 71 WHEELERTOWN AVENUE PIKEVILLE, TN 37367		
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
P 313	Continued From page 1 assessment and improvement program, a review of the following pediatric issues and indicators: 2. Incident reports; This Rule is not met as evidenced by: Based on review of the facility Pediatric Facility Notebook (PFN) and Medical Executive Committee (MEC) Meeting Minutes and interview, the facility failed to ensure the pediatric incident reports were reported to the Medical Executive Committee. The findings included: Review of the PFN revealed the information on pediatric incident reports was being collected for Quality Improvement (QI) tracking. Review of the MEC Meeting Minutes revealed the Emergency Department (ED) QI data was being reported. Continued review revealed there was no breakdown of the PFN QI data to reflect pediatric information being separated and reported separately to the MEC. Interview in the conference room on November 9, 2011, at 10:10 a.m., with the Director of QI, confirmed the PFN QI data on pediatric incident reports was not available to the MEC.	P 313	Tag 313 Plan of Correction Pediatric incident reports will continue to be monitored and this information will be reported monthly to the Safety Committee and the Joint Quality Committee and to the Medical Executive Committee Quarterly. Monitoring Monitoring for compliance will begin December 2011 and continue through March 2012. Responsibility Administration of Erlanger Bledsoe is responsible for the implementation of the corrective action plan and on going compliance.	12/1/11
P 314	1200-8-30-.03 (1)(j)3. Administration (1) The hospital administration shall provide the following: (j) Incorporation into the hospital existing quality assessment and improvement program, a review of the following pediatric issues and indicators: 3. child abuse cases; This Rule is not met as evidenced by:	P 314		

Division of Health Care Facilities

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: TNP5315	(X2) MULTIPLE CONSTRUCTION A: BUILDING _____ B: WING _____	(X3) DATE SURVEY COMPLETED 11/09/2011
NAME OF PROVIDER OR SUPPLIER ERLANGER BLEDSOE HOSPITAL		STREET ADDRESS, CITY, STATE, ZIP CODE 71 WHEELERTOWN AVENUE PIKEVILLE, TN 37367		
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
P 314	Continued From page 2 Based on review of the facility Pediatric Facility Notebook (PFN) and Medical Executive Committee (MEC) Meeting Minutes and interview, the facility failed to ensure pediatric abuse cases were reported to the Medical Executive Committee. The findings included: Review of the PFN revealed the information on pediatric abuse was being collected for Quality Improvement (QI) tracking. Review of the MEC Meeting Minutes revealed the Emergency Department (ED) QI data was being reported. Continued review revealed there was no breakdown of the PFN QI data to reflect pediatric information being separated and reported separately to the MEC. Interview in the conference room on November 9, 2011, at 10:10 a.m., with the Director of QI, confirmed the PFN QI data on pediatric abuse was not available to the MEC.	P 314	Tag 314 Plan of Correction Pediatric abuse cases will continue to be monitored and this information will be reported monthly to the Safety Committee and the Joint Quality Committee and to the Medical Executive Committee Quarterly. Monitoring Monitoring for compliance will begin December 2011 and continue through March 2012. Responsibility Administration of Erlanger Bledsoe is responsible for the implementation of the corrective action plan and on going compliance.	12/01/11
P 315	1200-8-30-.03 (1)(j)4. Administration (1) The hospital administration shall provide the following: (j) Incorporation into the hospital existing quality assessment and improvement program, a review of the following pediatric issues and indicators: 4. cardiopulmonary or respiratory arrests; This Rule is not met as evidenced by: Based on review of the facility Pediatric Facility Notebook (PFN) and Medical Executive Committee (MEC) Meeting Minutes and interview, the facility failed to ensure the pediatric cardio-pulmonary or pulmonary arrests were	P 315		

Division of Health Care Facilities

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: TNP6315	(X2) MULTIPLE CONSTRUCTION A. BUILDING _____ B. WING _____	(X3) DATE SURVEY COMPLETED 11/09/2011
NAME OF PROVIDER OR SUPPLIER ERLANGER BLEDSOE HOSPITAL		STREET ADDRESS, CITY, STATE, ZIP CODE 71 WHEELERTOWN AVENUE PIKEVILLE, TN 37367		
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
P 315	Continued From page 3 reported to the Medical Executive Committee. The findings included: Review of the PFN revealed the information on pediatric cardio-pulmonary or pulmonary arrests was being collected for Quality Improvement (QI) tracking. Review of the MEC Meeting Minutes revealed the Emergency Department (ED) QI data was being reported. Continued review revealed there was no breakdown of the PFN QI data to reflect pediatric information being separated and reported separately to the MEC. Interview in the conference room on November 9, 2011, at 10:10 a.m., with the Director of QI, confirmed the PFN QI data on pediatric cardio-pulmonary or pulmonary arrests was not available to the MEC.	P 315	Tag 315 Plan of Correction Pediatric cardiopulmonary or respiratory cases will continue to be monitored and this information will be reported monthly to the Safety Committee and the Joint Quality Committee and to the Medical Executive Committee Quarterly. Monitoring Monitoring for compliance will begin December 2011 and continue through March 2012. Responsibility Administration of Erlanger Bledsoe is responsible for the implementation of the corrective action plan and on going compliance.	12/01/11
P 316	1200-8-30-.03 (1)(j)5. Administration (1) The hospital administration shall provide the following: (j) Incorporation into the hospital existing quality assessment and improvement program, a review of the following pediatric issues and indicators: 5. admissions within 48 hours after being discharged from the emergency department.; This Rule is not met as evidenced by: Based on review of the facility Pediatric Facility Notebook (PFN) and Medical Executive Committee (MEC) Meeting Minutes and interview, the facility failed to ensure the pediatric re-admissions within 48 hours after discharge from the Emergency Department (ED) were reported to the Medical Executive Committee.	P 316		

Division of Health Care Facilities

Page A-78 VED

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: TNP5315	(X2) MULTIPLE CONSTRUCTION A. BUILDING 2012 SEP 11 AM 9:53 B. WING	(X3) DATE SURVEY COMPLETED 11/09/2011
NAME OF PROVIDER OR SUPPLIER ERLANGER BLEDSOE HOSPITAL		STREET ADDRESS, CITY, STATE, ZIP CODE 71 WHEELERTOWN AVENUE PIKEVILLE, TN 37367		
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
P 316	Continued From page 4 The findings included: Review of the PFN revealed the information on pediatric re-admissions within 48 hours after discharge from the ED was being collected for Quality Improvement (QI) tracking. Review of the MEC Meeting Minutes revealed the Emergency Department (ED) QI data was being reported. Continued review revealed there was no breakdown of the PFN QI data to reflect pediatric information being separated and reported separately to the MEC. Interview in the conference room on November 9, 2011, at 10:10 a.m., with the Director of QI, confirmed the PFN QI data on pediatric re-admissions within 48 hours after discharge from the ED was not available to the MEC.	P 316	Tag 316 Plan of Correction Pediatric admissions within 48 hours after being discharged from the emergency department will continue to be monitored and this information will be reported monthly to the Safety Committee and the Joint Quality Committee and to the Medical Executive Committee Quarterly. Monitoring Monitoring for compliance will begin December 2011 and continue through March 2012. Responsibility Administration of Erlanger Bledsoe is responsible for the implementation of the corrective action plan and on going compliance.	12/1/11
P 317	1200-8-30-.03 (1)(j)6. Administration (1) The hospital administration shall provide the following: (j) Incorporation into the hospital existing quality assessment and improvement program, a review of the following pediatric issues and indicators: 6. surgery within 48 hours after being discharged from an emergency department; This Rule is not met as evidenced by: Based on review of the facility Pediatric Facility Notebook (PFN) and Medical Executive Committee (MEC) Meeting Minutes and interview, the facility failed to ensure the pediatric surgeries within 48 hours after treatment in the Emergency Department (ED) were reported to the Medical Executive Committee. The findings included:	P 317		

Division of Health Care Facilities

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: TNP5315	(X2) MULTIPLE CONSTRUCTION A. BUILDING _____ B. WING _____	(X3) DATE SURVEY COMPLETED 11/09/2011
NAME OF PROVIDER OR SUPPLIER ERLANGER BLEDSOE HOSPITAL		STREET ADDRESS, CITY, STATE, ZIP CODE 71 WHEELERTOWN AVENUE PIKEVILLE, TN 37367		
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
P 317	Continued From page 5 Review of the PFN revealed the information on pediatric surgeries within 48 hours after treatment in the ED was being collected for Quality Improvement (QI) tracking. Review of the MEC Meeting Minutes revealed the Emergency Department (ED) QI data was being reported. Continued review revealed there was no breakdown of the PFN QI data to reflect pediatric information being separated and reported separately to the MEC. Interview in the conference room on November 9, 2011, at 10:10 a.m., with the Director of QI, confirmed the PFN QI data on pediatric surgeries within 48 hours after treatment in the ED was not available to the MEC.	P 317	Tag 317 Pediatric surgery within 48 hours after being discharged from an emergency department is not applicable to Erlanger Bledsoe as surgery is not preformed at this facility	
P 318	1200-8-30-.03 (1)(j)7. Administration (1) The hospital administration shall provide the following: (j) Incorporation into the hospital existing quality assessment and improvement program, a review of the following pediatric issues and indicators: 7. quality indicators requested by the Comprehensive Regional Pediatric Center or state/local Emergency Medical Services for Children authority regarding nursing care, physician care, pre-hospital care and the medical direction for pre-hospital providers of Emergency Medical Services systems; This Rule is not met as evidenced by: Based on review of the facility Pediatric Facility Notebook (PFN) and Medical Executive Committee (MEC) Meeting Minutes and interview, the facility failed to ensure any information requested by the Comprehensive Regional	P 318	Tag 318 Plan of Correction Pediatric quality indicators requested by the Comprehensive Regional Pediatric Center or state/local Emergency Medical Services for Children authority regarding nursing care, physician care, pre hospital care and the medical direction for pre-hospital providers for Emergency Medical Services system will continue to be monitored and this information will be reported monthly to the Safety Committee and the Joint Quality Committee and to the Medical Executive Committee Quarterly. This information will also be broken down and reported separately from adult.	

Division of Health Care Facilities

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: TNP5315	(X2) MULTIPLE CONSTRUCTION A. BUILDING _____ B. WING _____	(X3) DATE SURVEY COMPLETED 11/09/2011
NAME OF PROVIDER OR SUPPLIER ERLANGER BLEDSOE HOSPITAL		STREET ADDRESS, CITY, STATE, ZIP CODE 71 WHEELERTOWN AVENUE PIKEVILLE, TN 37367		
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
P 318	Continued From page 6 Pediatric Center (CRPC) was reported to the Medical Executive Committee. The findings included: Review of the PFN revealed the information on any information requested by the Comprehensive Regional Pediatric Center (CRPC) was being collected for Quality Improvement (QI) tracking. Review of the MEC Meeting Minutes revealed the Emergency Department (ED) QI data was being reported. Continued review revealed there was no breakdown of the PFN QI data to reflect pediatric information being separated and reported separately to the MEC. Interview in the conference room on November 9, 2011, at 10:10 a.m., with the Director of QI, confirmed the PFN QI data on any information requested by the Comprehensive Regional Pediatric Center was not available to the MEC.	P 318	Monitoring Monitoring for compliance will begin December 2011 and continue through March 2012. Responsibility Administration of Erlanger Bledsoe is responsible for the implementation of the corrective action plan and on going compliance.	12/01/11
P 319	1200-8-30-.03 (1)(j)8. Administration (1) The hospital administration shall provide the following: (j) Incorporation into the hospital existing quality assessment and improvement program, a review of the following pediatric issues and indicators: 8. pediatric transfers; and This Rule is not met as evidenced by: Based on review of the facility Pediatric Facility Notebook (PFN) and Medical Executive Committee (MEC) Meeting Minutes and interview, the facility failed to ensure the pediatric transfers were reported to the Medical Executive Committee.	P 319	Tag 319 Plan of Correction Pediatric transfers will continue to be monitored and this information will be reported monthly to the Safety Committee and the Joint Quality Committee and to the Medical Executive Committee Quarterly. Monitoring Monitoring for compliance will begin December 2011 and continue through March 2012.	12/01/11

Division of Health Care Facilities

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: TNP5315	(X2) MULTIPLE CONSTRUCTION A. BUILDING _____ B. WING _____	(X3) DATE SURVEY COMPLETED 11/09/2011
NAME OF PROVIDER OR SUPPLIER ERLANGER BLEDSOE HOSPITAL		STREET ADDRESS, CITY, STATE, ZIP CODE 71 WHEELERTOWN AVENUE PIKEVILLE, TN 37367		
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
P 319	Continued From page 7 The findings included: Review of the PFN revealed the information on pediatric transfers was being collected for Quality Improvement (QI) tracking. Review of the MEC Meeting Minutes revealed the Emergency Department (ED) QI data was being reported. Continued review revealed there was no breakdown of the PFN QI data to reflect pediatric information being separated and reported separately to the MEC. Interview in the conference room on November 9, 2011, at 10:10 a.m., with the Director of QI, confirmed the PFN QI data on pediatric transfers was not available to the MEC.	P 319	Responsibility Administration of Erlanger Bledsoe is responsible for the implementation of the corrective action plan and on going compliance.	
P 320	1200-8-30-.03 (1)(j)9. Administration (1) The hospital administration shall provide the following: (j) Incorporation into the hospital existing quality assessment and improvement program, a review of the following pediatric issues and indicators: 9. pediatric inpatient illness and injury outcome data. This Rule is not met as evidenced by: Based on review of the facility Pediatric Facility Notebook (PFN) and Medical Executive Committee (MEC) Meeting Minutes and interview, the facility failed to ensure the pediatric inpatient illness and injuries were reported to the Medical Executive Committee. The findings included: Review of the PFN revealed the information on pediatric inpatient illness and injury was being	P 320	Tag 320 Plan of Correction Pediatric inpatient illness and injury outcomes will continue to be monitored and this information will be reported monthly to the Safety Committee and the Joint Quality Committee and to the Medical Executive Committee Quarterly. Monitoring Monitoring for compliance will begin December 2011 and continue through March 2012. Responsibility Administration of Erlanger Bledsoe is responsible for the implementation of the corrective action plan and on going compliance.	12/01/11

Division of Health Care Facilities

Page A-82 0VED

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: TNP5315	(X2) MULTIPLE CONSTRUCTION A. BUILDING _____ B. WING _____	(X3) DATE SURVEY COMPLETED 11/09/2011
NAME OF PROVIDER OR SUPPLIER ERLANGER BLEDSOE HOSPITAL		STREET ADDRESS, CITY, STATE, ZIP CODE 71 WHEELERTOWN AVENUE PIKEVILLE, TN 37367		
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
P 320	Continued From page 8 collected for Quality Improvement (QI) tracking. Review of the MEC Meeting Minutes revealed the Emergency Department (ED) QI data was being reported. Continued review revealed there was no breakdown of the PFN QI data to reflect pediatric information being separated and reported separately to the MEC. Interview in the conference room on November 9, 2011, at 10:10 a.m., with the Director of QI, confirmed the PFN QI data on pediatric inpatient illness and injury was not available to the MEC.	P 320		

Division of Health Care Facilities

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: TNP5315	(X2) MULTIPLE CONSTRUCTION A. BUILDING _____ B. WING _____		(X3) DATE SURVEY COMPLETED 11/09/2011
NAME OF PROVIDER OR SUPPLIER ERLANGER BLEDSOE HOSPITAL			STREET ADDRESS, CITY, STATE, ZIP CODE 71 WHEELERTOWN AVENUE PIKEVILLE, TN 37367		
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE	
H 002	1200-8-1 No Deficiencies During the annual Licensure Survey, conducted on November 7 - 9, 2011, at Erlanger Bledsoe Hospital, no deficient practices were cited under Chapter 1200-8-1, Standards for Hospitals.	H 002			

Division of Health Care Facilities

Stephanie Byrd

Administrator

TITLE

12/2/11

(X6) DATE

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

STATE FORM

0000

MZ0U11

If continuation sheet 1 of 1

Division of Health Care Facilities

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: TNP5315	(X2) MULTIPLE CONSTRUCTION A. BUILDING 01 - MAIN BUILDING 01 B. WING 2012 SEP 11 AM 9:53	(X3) DATE SURVEY COMPLETED 11/08/2011
NAME OF PROVIDER OR SUPPLIER ERLANGER BLEDSOE HOSPITAL		STREET ADDRESS, CITY, STATE, ZIP CODE 71 WHEELERTOWN AVENUE PIKEVILLE, TN 37367	
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)
H 002 1200-8-1 No Deficiencies	Based on observations, testing, and records review it was determined the facility had no Life Safety deficiencies.	H 002	

Division of Health Care Facilities

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

STATE FORM

Administrative TITLE

12/2/11 (X8) DATE

0000

MZ0U21

If continuation sheet 1 of 1

SUPPLEMENTAL

#1

**Supplemental Responses To Questions Of The
Tennessee Health Services & Development Agency**

2012 SEP 25 AM 8:47

**1.) Section A. Applicant Profile. Item 6.
(Legal Interest In The Site)**

The applicant has filed a Letter of Intent which indicates the term of the lease "will commence at a date to be determined and shall continue for ten (10) years thereafter." The commencement date has not yet been determined. Thus, we consider that the applicant does not control the site. The Agency requires that the applicant's control of the site must be enforceable through at least an option to lease at the time the Agency hears the application. Please provide a fully executed (signed by both parties) Option to Lease that at least includes the commencement date of the lease, the expected term of the lease, the anticipated lease payments and an expiration date which demonstrates the applicant has a legal interest in the property beyond the time of the HSDA hearing of the application.

Response

An option agreement is attached to this supplemental information.

**2.) Section A. Applicant Profile. Item 8.
(Purpose of Review)**

Your response is noted. Your response should be changed from "A. New Institution" to "J. (Specify) Initiation of a Satellite Emergency Department."

Response

An updated applicant profile is attached to this supplemental information.

3.) Section B. I. (Project Description)

- A.) Your response is noted. Please also include a description of the proposed hours of operation, types of medical and ancillary services, equipment (being purchased through the Sequatchie County grants and other sources), and staffing (particularly the type of medical staffing and through what sources).**

Response

The hours of operation for the *Erlanger Bledsoe Hospital* Provider Based Emergency Department will be 24 hours a day, seven days per week. The satellite ED will be a Class A facility, as per CMS guidelines, and will be affiliated with a Level I trauma center. Generally speaking, these facilities do not have the full availability of specialists, but do have resources for emergency resuscitation, surgery, and intensive care of most trauma patients. Trauma care will be provided via *Erlanger Bledsoe Hospital* and/or through patient transfer agreements with designated trauma centers that provide back-up resources for the care of exceptionally severe injuries.

Many pieces of equipment will be purchased for the project. The list of equipment will be addressed in a subsequent information supplement along with questions related to the *Project Cost Chart*.

- B.) How many physicians will be staffing the proposed ED 8 exam/treatment station ED at any given time?**

Response

One physician will be on site per scheduled shift.

- C.) Will all the physicians staffing the free standing ED be board certified in Emergency Medicine ? If not, please discuss the type of physician qualifications which the applicant intends to use in hiring/contracting with physicians.**

Response

The identification of specific physicians to staff the ED will be confirmed once a contract for coverage is put in place. However, we would expect any physician providing coverage will be board certified, board eligible or experienced in the provision of emergent, or, urgent care.

- D.) Please provide the professional credentials and board certificates of the physicians staffing both the main Erlanger Bledsoe and satellite ED locations.**

Response

The credentials for the physicians which staff the *Erlanger Bledsoe Hospital* main ED are attached to this supplemental information. As yet, specific physicians have not been assigned to the satellite ED, therefore, these credentials cannot be presented at this time.

- E.) Will physician extenders (physician assistants or nurse practitioners) be used to augment the physician staffing ?**

Response

No.

- F.) Erlanger Bledsoe Hospital's Emergency Department is within a 25 bed critical access hospital facility which is an administrative unit of Erlanger Health System. As such, the Emergency Department personnel and physicians have access to medical specialists, who are required by the hospital's Medical Staff Bylaws to be "on-call" in the event that the Emergency Department's physicians/personnel require their consultation or immediate presence to handle a medical life endangering emergency. How does the applicant intend to handle this type of situation at the satellite location ? What kind of clinical**

protocols will be developed to address the immediate need for medical specialist expertise ?

Response

Patient transfers will be handled as are similar type situations at the *Erlanger Bledsoe Hospital* ED in Pikeville, Bledsoe County, Tennessee. All guidelines will be followed as per EMTALA pertaining to patient transfer. Ultimately, patient transfers will be based on medical judgment. Sample protocols are attached to the end of this supplemental information.

G.) What levels of emergency service does the applicant intend to provide at this satellite location ?

Response

The satellite ED will be a Class A facility, as per CMS guidelines, and will be affiliated with a Level I trauma center. Generally speaking, these facilities do not have the full availability of specialists, but do have resources for emergency resuscitation, surgery, and intensive care of most trauma patients. Trauma care will be provided via *Erlanger Bledsoe Hospital* and/or through patient transfer agreements with designated trauma centers that provide back-up resources for the care of exceptionally severe injuries.

H.) Besides the medical imaging diagnostic services, what other types of ancillary services (i.e., laboratory, respiratory therapy, etc.) does the applicant intend to provide ? Has the applicant reflected the staffing and costs in the staffing chart and Projected Data Chart ?

Response

Laboratory and X-Ray services will be available. Initially, respiratory services will be provided by nursing staff with an evaluative approach as to whether a respiratory therapist will be added. These staffing costs are reflected in the *Projected Data Chart*.

- I.) What type of information will be distributed in the Emergency Medical and ambulance conveyance community to assist these paramedical caregivers that the applicant's ED is the appropriate location for the level of injury, illness or discomfort of the person they are conveying ?

Response

There will be a notification of the opening of this facility in *The Dunlap Tribune*, as well as other public announcements to inform the community of the services available. We will also communicate, before the opening of the facility, with the EMS service as to the type of patients which may be accommodated at the satellite ED. The EMS facility for Sequatchie County is co-located in the same building as that which is to be utilized for the satellite ED.

- J.) Will the freestanding, satellite Emergency Department have transfer agreements with:

- 1.) Erlanger Bledsoe Hospital
- 2.) Erlanger Medical Center (Trauma Center)
- 3.) Memorial Hospital
- 4.) Park Ridge Hospital

Response

Erlanger Bledsoe Hospital currently has a patient transfer agreement with *Erlanger Medical Center*., a copy is attached to this supplemental information. Since the satellite ED will be a satellite of *Erlanger Bledsoe Hospital*, patient transfers will be effected as necessary to optimize care for the patient.

Additionally, patient transfer agreements are/or will be in place to ensure that patients have access to appropriate facilities and/or the facility of the own choosing.

- K.) Please discuss the medical protocols by which patients will be referred to Erlanger Bledsoe in Pikeville, Erlanger Medical Center in Chattanooga

or other referral hospitals.

Response

Patient transfers will be handled as are similar type situations at the *Erlanger Bledsoe Hospital* ED in Pikeville, Bledsoe County, Tennessee. All guidelines will be followed as per EMTALA pertaining to patient transfer. Ultimately, patient transfers will be based on medical judgment. Sample protocols are attached to this supplemental information.

4.) Section B. II. (Project Description)

It is understood that the proposed project will involve approximately 10,000 square feet of space.

A.) Please describe the physical capacity of the proposed satellite Emergency Department, including the number of examination/treatment stations, triage rooms, reception, waiting, ambulance entrance accommodations including decontamination space, nursing station and support spaces, ancillary services, etc. Are there any additional planned accommodations other than those shown on the floor plan ?

Response

The facility has approximately 1,100 SF of patient triage, exam and treatment spaces, including a trauma room and an orthopedic room. There is approximately 500 SF of waiting space which should accommodate about 50 occupants. There is a separate ambulance entrance with a decontamination room. Other required spaces such as nursing work and communication station, patient toilets, soiled utility room, clean work room, storage, staff lounge and toilet as well as environmental services, are all provided.

There is a 400 SF radiology suite, which will require the addition and installation of x-ray imaging and processing equipment to become functional. There is a 410 SF laboratory area.

- B.) The applicant indicates some minor amount of repair and construction work will be in order (such and paint and fix-up). As the applicant had an architect and/or licensed contractor go through the facility to determine what repair and fix-up construction will be required to obtain and Certificate of Occupancy from the Department of Health ?

Response

Yes.

- C.) In either case to the above question, please provide documentation from a licensed architect or construction professional:

- 1.) a general description of the project (what construction work is needed to be done);
- 2.) his/her estimate of the cost to construct the project to provide a physical environment, according to applicable federal, state and local construction codes, standards, specifications, and requirements, and;
- 3.) attesting that the physical environment will conform to applicable federal standards, manufacturer's specifications and licensing agencies' requirements including the AIA Guidelines for Design and Construction of Hospital and Health Care Facilities.

Response

The facility needs some upgrade of finishes (painting, removal of wallcoverings, floor patching, ceiling panel replacement, etc.) and maintenance upgrades to some infrastructure systems (nurse call, telephone and data systems, intercom, etc.). Further, minor electrical work will be also be required. It is estimated that the renovation cost will be approximately \$ 85,000. A copy of the Architect's letter is attached to this supplemental information.

5.) Section B. II.C. (Applicant's Need for Providing Health Care Services)

Why has the applicant chosen to develop an emergency care versus an around-the-clock urgent care clinic approach ?

Response

Of the alternatives evaluated and discussed, the experience of *Grandview Medical Center* with the satellite ED and subsequent conversion to an urgent care clinic which operated 12 hours per day was not financially viable. Thus, *Erlanger* management felt that the best strategy to pursue, and to study in detail, was that of a satellite ED for *Erlanger Bledsoe Hospital* with cost based reimbursement.

6.) Section B. III. B.1 (Relationship To The Site To Public Transportation)

The applicant's response regarding distances and drive times to the Project Site is noted. To provide some perspective regarding distances and times, it may be helpful to provide the distances and drive times from Dunlap to,

- 1.) Erlanger Bledsoe Hospital
- 2.) Erlanger Medical Center (Trauma Center)
- 3.) Memorial Hospital
- 4.) Park Ridge Hospital

Response

The mileage and drive time for each appears below.

Erlanger Bledsoe Hospital	21.0 miles	26 min
Erlanger Medical Center	59.7 miles	1 hr, 9 min
Memorial Hospital	59.5 miles	1 hr, 13 min
Parkridge Medical Center	61.7 miles	1 hr, 14 min

7.) Section C Item 3 (Service Area Map)

The map utilized to distinguish the applicant's declared service area is busy and shows a number of

other designated areas which distract from the designation of the service area. Please provide a map which clearly delineates the applicant's declared service area from other counties without the distractions of other area designations. A sample map is attached.

Response

The revised service area map is attached to this supplemental information.

8. Section C Item 4 (Service Area Demographics)

Please complete the following chart.

Demographic Data	Sequatchie County	State of TN Total
Total 2012 Population		
Total Population- 2016		
Total 2016 Population % Change		
Under 65 Pop. – 2012		
Under 65 Pop. – 2016		
Under 65 Population % Change		
Under 65 Population % of Total Population		
Median Household Income		
TennCare Enrollees		
TennCare Enrollees as % of Total Population		
Persons Below Poverty Level		
% of Total Population below Poverty Level		

Response

The completed appears below.

	<u>Sequatchie County</u>	<u>State Of Tennessee</u>
Total 2012 Population	14,521	6,446,404
Total 2016 Population	15,426	6,668,225
Total 2016 Population - % Change	6.2%	3.4%
Under 65 Population - 2012	12,293	5,425,938
Under 65 Population - 2016	12,763	5,626,217
Under 65 Population - % Change	3.8%	3.7%
Under 65 Population - % Of Total Population	84.7%	84.2%
Median Household Income	37,124	42,120
TennCare Enrollees	3,578	1,206,538
TennCare Enrollees As % Of Total Population	24.6%	18.7%
Persons Below Poverty Level	1,817	1,063,656

% Of Total Population Below Poverty Level

12.5%

16.5%

2012 SEP 25 AM 8:47

9.) Section C, Item 6.

(Applicant's Historical & Projected Utilization)

- A.) Your response with regard to market analysis and utilization projections on pages 27 and 43 are noted. However, its origin, assumptions and rationale are unexplained. How were the "Sequatchie County Use Rates" determined ? by whom ? using what data ? Please explain the data sources, assumptions, rationale and methodology.**

Response

The THA market database was utilized to determine the total number of ED visits for those with patient origin in Sequatchie County, Tennessee, for CY 2010 and 2011. The number of visits by O/P service line were divided by the total population of Sequatchie County for each year to calculate the per capita use rate. The average rate for the two (2) year period was applied to the total population of Sequatchie County for a five (5) year forward time horizon to determine the size of the ED market, in light of population growth.

- B.) The estimates of ED and urgent care utilization are significantly higher (15,411 visits) than what the applicant chose in its first year of operation (5,000 visits). Please provide your rationale for reducing your utilization projections by 200% below the projection model you presented.**

Response

We have simply elected to be conservative in our initial ED volume assumption, however, we expect utilization to increase over time.

- C.) Below is a chart showing the ED visits for the various acuity levels of Emergency Department Services (lower acuity Level I through highest acuity Level V), which generate varying levels of**

ED charges. Please provide the historical utilization of the Erlanger Bledsoe's Emergency Department and the anticipated future utilization by acuity levels for the existing and the proposed satellite facility:

Note: It is understood that the previous operator (i.e., South Pittsburgh Medical Center and, then, Grandview Medical Center) of the North Valley Medical Plaza satellite Emergency Department ran the ED through August 2010, when it was reclassified to an urgent care center. Grandview Medical Center later closed the North Valley Medical Plaza urgent care center in February, 2012. If possible, it would be helpful if the applicant could provide minimally the total utilization visits historically for the past four years. Should the data be available for the levels of care, it would also be helpful.

Acuity Level	2009	2010	2011	2012	2013	2014	2015	2016	2017
Main ED									
Level I									
Level II									
Level III									
Level IV									
Level V									
Sub Total	4,787	5,100	6,256	5,700	5,711	5,722	5,734	5,745	5,756
Satellite ED	2009	2010	2011	2012	2013	2014	2015	2016	2017
Level I									
Level II									
Level III									
Level IV									
Level V									
Sub Total					5,000	5,250			
Total									

Response

The completed chart appears below.

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<u>Main ED</u>									
ED Level I	14	5	19	13	13	13	13	13	13
ED Level II	1,570	1,244	2,828	1,946	1,949	1,953	1,957	1,961	1,965
ED Level III	2,240	2,667	2,477	2,635	2,641	2,646	2,651	2,656	2,662
ED Level IV	838	1,030	838	971	973	975	977	979	980

ED Level V	124	153	94	135	135	135	136	136	136
<i>Sub-Total</i>	4,787	5,100	6,256	5,700	5,711	5,722	5,734	5,745	5,756

Satellite ED

ED Level I				12	12	13	13	14	14
ED Level II				1707	1792	1860	1929	1997	2065
ED Level III				2311	2428	2520	2612	2705	2797
ED Level IV				852	894	928	962	996	1031
ED Level V				118	124	129	134	138	143
<i>Sub-Total</i>	0	0	0	5,000	5,250	5,450	5,650	5,850	6,050
<i>Total</i>	4,787	5,100	6,256	10,700	10,961	11,172	11,384	11,595	11,806

D.) Please provide definitions of each of the five Levels of Acuity upon which the CPT codes are differentiated.

Response

The definitions for ED acuity levels are quite extensive, therefore, we will refer the reader to the *Agency For Healthcare Research & Quality* and the definitions for the five acuity levels which are presented under AHRQ's *Emergency Severity Index*.

**10. Section C, Economic Feasibility, Item 1
(Project Cost Chart)**

The submitted Project Cost Chart requires further clarification.

A.) On line A.5., the applicant reflects \$19,465 for construction costs. In leased facility arrangements, these types of costs are normally borne by the landlord. Please clarify that these costs are being borne by the applicant, Erlanger Bledsoe Hospital or its parent, Erlanger Health System.

B.) On line A.8. - Moveable Equipment, the applicant lists \$ 129,048. If these costs are being listed on the correct line, what types of equipment are being acquired since the landlord is also

providing medical equipment through a \$500,000 grant ?

- C.) On line A.9. - Other, the applicant has entered "Technical, Signage, Environmental, etc.", but no dollar value. Has there been as error in entering the costs for these items on line A.8 ? Or should there be an additional cost value entered on this line ?
- D.) On page 14 of the application, the applicant indicates that Sequatchie County has secured a grant (letters documenting the grants are included in the application) to purchase \$500,000 in medical equipment that will be included in the \$1/year lease over a 10 year period.
- 1.) Please discuss the type of medical equipment planned for purchase through this grant.
 - 2.) The HSDA Medical Equipment Registry indicates the North Valley Medical Plaza had a CT scanner. Does the applicant intend to install a CT scanner as part of the proposed new satellite ED ?
 - 3.) The lease arrangement costs for the medical equipment should be reflected in Section B - Line B4 of the Project Cost Chart.
 - 4.) The following definition regarding major medical equipment cost in Tennessee Health Services and Development Agency Rule 0720-9-.01 (13) (d) states " If the acquisition is by lease, the cost is either the fair market value of the equipment , or the total amount of the lease payments, whichever is greater."
 - 5.) The following definition regarding major medical equipment cost in Tennessee Health Services and Development Agency Rule 0720-9-.01 (13) (b) states "The cost of major medical equipment includes all costs, expenditures, charges, fees, and assessments which are reasonably necessary to put the equipment into use for the purposes for which the equipment was intended. Such costs specifically include, but are not necessarily limited to the following:

- a.) maintenance agreements, covering the expected useful life of the equipment;
- b.) federal, state, and local taxes and other government assessments and
- c.) installation charges, excluding capital expenditures for physical plant renovation or in-wall shielding."

E.) The applicant intends to lease the facility for \$1/yr lease over a 10 year period. These lease arrangement costs should be reflected in Section B-Line B2 of the Project Cost Chart.

F.) The following definition regarding leased property cost in Tennessee Health Services and Development Agency Rule 0720-9-.01 (c) states "In calculating the value of a lease, the "cost" is the fair market value of the leased item or the total amount of the lease payment, whichever is greater." Please provide documentation of the fair market value of the premises leased and the calculation of the total amount of the lease payment over the 10 year period.

Please identify these costs on the Project Cost Chart and submit a revised Project Cost Chart using the greater of the leased space's fair market value (FMV) or the sum of the lease payments over the term of the lease.

G.) Please submit a revised Project Cost Chart reflecting the above changes.

Response

Applicant is currently reviewing the questions posed in this supplemental request related to fair market value and the Project Cost Chart. These questions will be answered as soon as possible in a subsequent information supplement.

11.) Section C, Economic Feasibility, Item 4 -
(Projected Data Chart), and Item 8 (Viability)

Your response is noted. Please provide the following information.

- A.) The amount of Other Expenses (\$515,150 in year 1 and \$558,841 in year 2) is quite significant in proportion to the proposed project's operating expenses (\$2,353,351 in yr. 1 and \$2,466,037 in yr. 2). Please provide further detail.

PROJECTED DATA CHART-OTHER EXPENSES

<u>OTHER EXPENSES CATEGORIES</u>	Year____	Year____
1.	\$_____	\$_____
2.	_____	_____
3.	_____	_____
4.	_____	_____
5.	_____	_____
6.	_____	_____
7.	_____	_____
Total Other Expenses	\$_____	\$_____

Response

The table of other expenses appears below.

	Year 1	Year 2
Purchased Services	159,185	176,232
Drugs	20,000	22,166
Purchased Maintenance	24,000	27,335
Unscheduled Maintenance	27,300	28,092
Utilities	64,745	71,891
Marketing / Education	15,000	16,325
License & Fees	10,005	10,370
Miscellaneous	194,915	206,430
<i>Total</i>	<u>515,150</u>	<u>558,841</u>

- B.) The annual Net Operating Loss for the proposed project is -\$575,068 in year 1 and -\$572,635 in year 2. In Item C.8, the applicant indicates "CMS has approved the Erlanger Bledsoe Hospital-Satellite ED as a cost based unit of Erlanger Bledsoe Hospital. With reimbursement tied to cost, sustainability is assured." Please explain how sustainability is assured with annual Net Operating Loss for the proposed project is -\$575,068 in year 1 and -\$572,635 in year 2.

Response

The satellite ED will be a department of *Erlanger Bledsoe Hospital*. The *Projected Data Chart* represents the financial information for the project only and does not include other revenue from I/P admissions referred from the satellite ED. Including this revenue, we expect the satellite ED to operate at breakeven. For these reasons, applicant believes that the satellite ED will be sustainable.

12.) Section C, Economic Feasibility, Item 2 (Funding)

The letter from Erlanger's CFO is noted. The letter indicates the funding for the proposed satellite ED is "subject to CON approval and also upon approval of the Chattanooga-Hamilton County Hospital Authority." Has the Chattanooga-Hamilton County Hospital Authority approved the funding for this project? If so, when (what date) did their approval occur ? If not, when (what date) does the applicant anticipate their action regarding funding will occur ?

Response

The Board of Trustees for the Chattanooga-Hamilton County Hospital Authority has various committees which meet on a periodic basis to review projects and matters of interest. Such committees include the *Planning Committee* and the *Finance Committee* of the Board.

While the full Board of the *Hospital Authority* has not yet approved this project, the *Planning Committee* has authorized submission of this CON application and the *Finance Committee* has reviewed the financial feasibility information and has authorized management to move forward with the project. Please reference the agenda for the Board Planning Committee on August 20, 2012, that is attached to this supplemental information.

Once CON approval is received, it is anticipated that the full Board of the Hospital Authority will approve the project for implementation.

13.) Section C, Economic Feasibility, Item 6.A (Charges)

Will the charges at the satellite ED be the same as the charges at Erlanger Bledsoe Hospital's main ED ?

Response

Yes, charges will be the same for both locations.

14.) Section C, Economic Feasibility, Item 6 B (Charges)

Your response of "Comparative Analysis of Inpatient Charges per Admission" as provided by THA's Hospital Data Registry is noted. However, since the application is for a satellite ED, please provide comparative Emergency Department charges.

Response

The table of comparative ED charges appears below.

**Comparative Analysis Of ED Average Charge Per Visit
For The CY 2010**

	<u>Erlanger Bledsoe</u>	<u>Copper Basin Med Ctr</u>	<u>Patients' Choice Med Ctr</u>	<u>Rhea Med Ctr</u>	<u>Emerald-Hodgson Hospital</u>
Blood and blood-forming organ dzs	3,004	2,335	1,495	3,510	6,328
Circulatory system dzs	2,587	2,867	2,180	2,456	5,004
Complic. pregnancy, childbirth, puerp	978	1,076	878	504	1,382
Condit originating in the perinatal peri	350	296	373	232	1,439
Congenital anomalies		354	2,565	2,516	
Digestive system dzs	1,687	1,501	1,611	1,876	3,198
Endo/nutrit/metab dzs and immune di	2,580	2,432	1,884	2,052	4,753
Genitourinary system dzs	2,207	1,843	1,800	1,524	4,442
Infectious and parasitic dzs	959	645	1,133	741	7,716
Injury and poisoning	1,445	982	850	606	1,753
Mental disorders	1,402	1,216	1,107	887	2,212
Musculoskel sys and connect tiss dzs	1,334	850	760	503	1,763
Neoplasms	2,382	2,819	1,116	5,789	9,038
Nerv system and sense organ dzs	1,138	1,017	896	545	1,897
Other conditions	2,111	1,449	1,481	968	2,391
Respiratory system dzs	1,768	1,326	1,296	1,272	5,038
Skin and subcutaneous tissue dzs	1,213	882	645	709	2,193
Unknown or No Diagnosis			772		
<i>Total</i>	1,674	1,356	1,270	1,068	2,916

**15.) Section C, Economic Feasibility, Item 11.
(Alternatives)**

Your response is noted. Please provide further detail

(including revenue and costs) to share with the Agency members why the applicant feels this proposal is the only viable option for provision of emergency services to Sequatchie County.

Response

Of the three alternatives evaluated and discussed, we do not have detailed financial studies pertaining to alternative 1, as a satellite ED of *Erlanger Medical Center*; or, alternative 3, as a provider based rural health clinic operated as a department of *Erlanger Bledsoe Hospital*.

The experience of *Grandview Medical Center* with the satellite ED was not financially viable; and subsequently converting it to an urgent care clinic which operated 12 hours per day was also not financially viable. Thus, *Erlanger* management felt that the best strategy to pursue, and to study in detail, was that of a satellite ED for *Erlanger Bledsoe Hospital* with cost based reimbursement.

16.) Section C, Item 3.

(Contribution To The Orderly Development Of
Health Care)

Your response regarding the management, nursing, allied health professional and support staffing is noted. Please discuss the medical staffing plan and its costs for the *Erlanger Bledsoe Hospital* satellite ED in Dunlap.

Response

The medical staffing plan for the satellite ED is to have one (1) physician on site during each shift. These costs have been included in the *Projected Data Chart*.

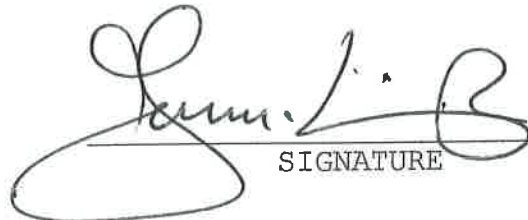
A F F I D A V I T

2012 SEP 25 AM 8:47

STATE OF TENNESSEE

COUNTY OF HAMILTONNAME OF FACILITY Erlanger Bledsoe Hospital

I, Joseph M. Winick, after first being duly sworn,
State under oath that I am the applicant named in this
Certificate of Need application or the lawful agent
thereof, that I have reviewed all of the supplemental
information submitted herewith, and that it is true,
accurate, and complete.


SIGNATURE

SWORN to and subscribed before me this 24 of
September, 2013, a Notary Public in and for the
Month Year

State of Tennessee, County of Hamilton.


NOTARY PUBLIC

My commission expires May 27, 2013.
(Month / Day)



TABLE OF ATTACHMENTS

** NOTE - The attachments are paginated and the page number begins with "A". The page number appears in the upper right hand corner of the page.

<u>Description</u>	<u>Page No.</u>
Option To Lease	A-1
Applicant Profile	A-3
Sample Protocols	A-10
Erlanger Bledsoe Hospital - Patient Transfer Agreement	A-13
Architect Letter	A-18
Service Area Maps	A-20
Planning Committee Agenda	A-22
Emergency Dept. Physicians	A-24

ATTACHMENTS

OPTION TO LEASE AGREEMENT

2012 SEP 25 AM 8:48
This Option to Lease Agreement (the "Agreement") is made and entered into as of the latest of the signature dates set forth below (the "Effective Date"), by and between the CHATTANOOGA-HAMILTON COUNTY HOSPITAL AUTHORITY d/b/a ERLANGER HEALTH SYSTEM, a Tennessee governmental entity ("Tenant") and SEQUATCHIE COUNTY, TENNESSEE ("Landlord").

RECITALS:

WHEREAS, Tenant operates Erlanger Health System, which includes several hospital facilities, including Erlanger Bledsoe Hospital ("Bledsoe Hospital");

WHEREAS, the Landlord desires to have the Tenant manage, staff and operate a twenty-four hour free-standing satellite Emergency Department at North Valley Medical Plaza in Sequatchie County, Tennessee;

WHEREAS, in order to operate such Emergency Department, the Landlord and Tenant will enter into a Lease Agreement ("Lease") whereby the Landlord will lease space to the Tenant that is suitable for the operation of such satellite Emergency Department;

WHEREAS, the parties desire to formally memorialize the intent to enter into such Lease Agreement;

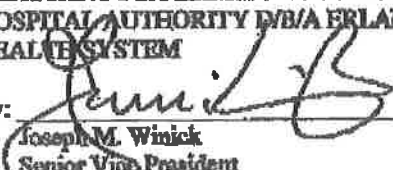
NOW, THEREFORE, in consideration of the mutual promises and covenants contained in this Amendment and other goods and valuable consideration, and intending to be legally bound thereby, it is understood and agreed by and between the parties hereto as follows:

1. Leased Premises. The premises to be leased by Tenant are located at 16931 Ranklin Avenue in Dunlap, Tennessee and consist of approximately 10,000 square feet, and such premises shall include equipment to be furnished by the County via grant funds previously awarded (collectively, the "Leased Premises").
2. Rent. The rent for the Leased Premises shall be \$1 per annum.
3. Lease Commencement Date and Term. The Lease shall commence within 45 days of the date of Certificate of Need approval issued by the State of Tennessee, Health Services & Development Agency ("Commencement Date") and shall continue for ten (10) years.
4. Term of this Agreement. The option to lease under this Agreement and all rights and privileges hereunder shall expire as of March 31, 2013.
5. Exercise of Option. The option to enter into the Lease shall be exercised by Tenant by written notice to Landlord.

REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK; SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, Authority and County have executed this Agreement as of the intent
of the signature dates set forth below.

CHATTANOOGA-HAMILTON COUNTY
HOSPITAL AUTHORITY DBA/ERLANGER
HEALTH SYSTEM

By: 
Joseph M. Winick
Senior Vice President
Planning and Business Development

Date:

9/21/2012

SEQUATCHIE COUNTY,
TENNESSEE

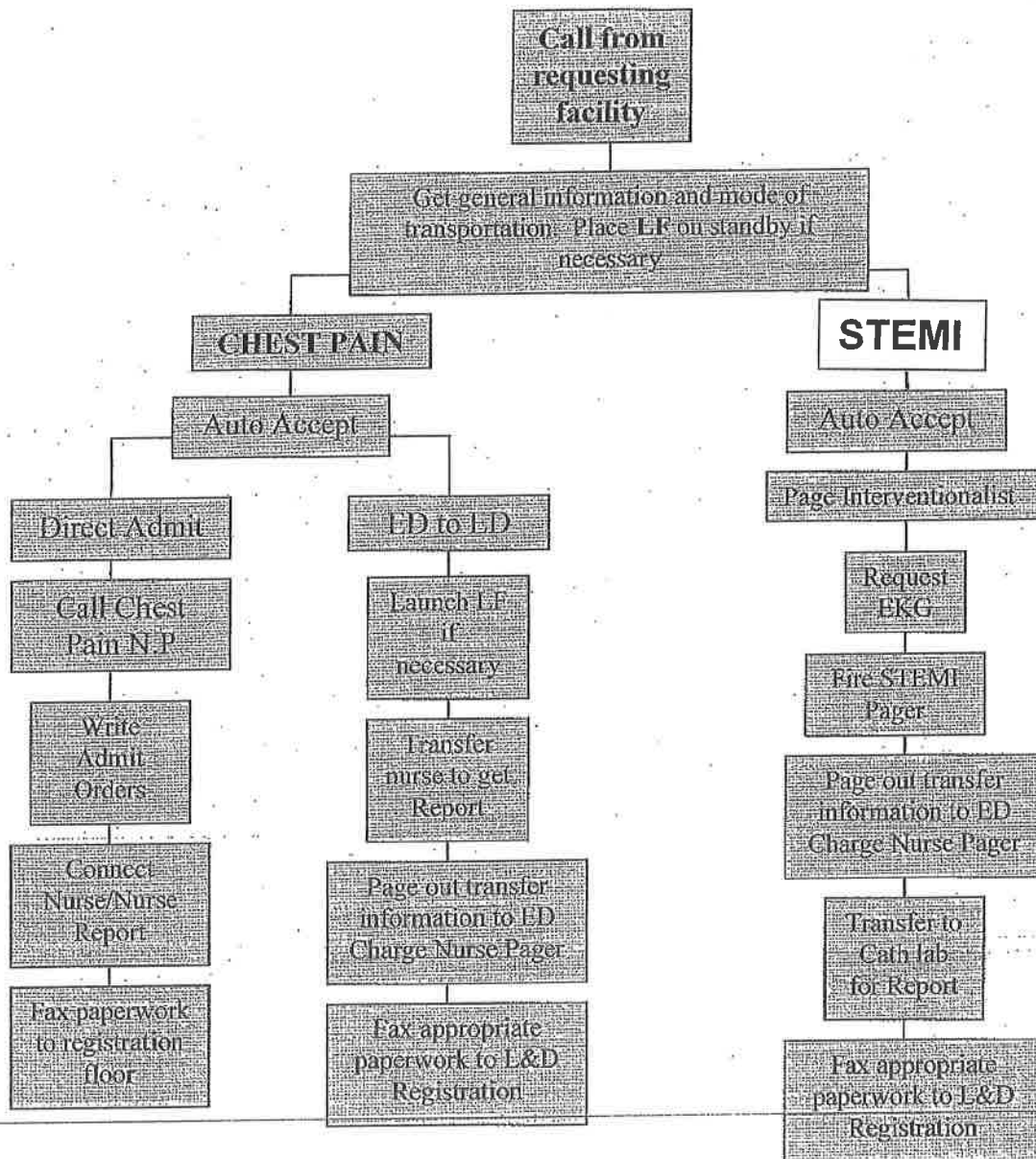
By: 
Keith Cartwright
County Executive
Sequatchie County, Tennessee

Date:

9-24-2012

Cardiac Protocol Patient Logistics

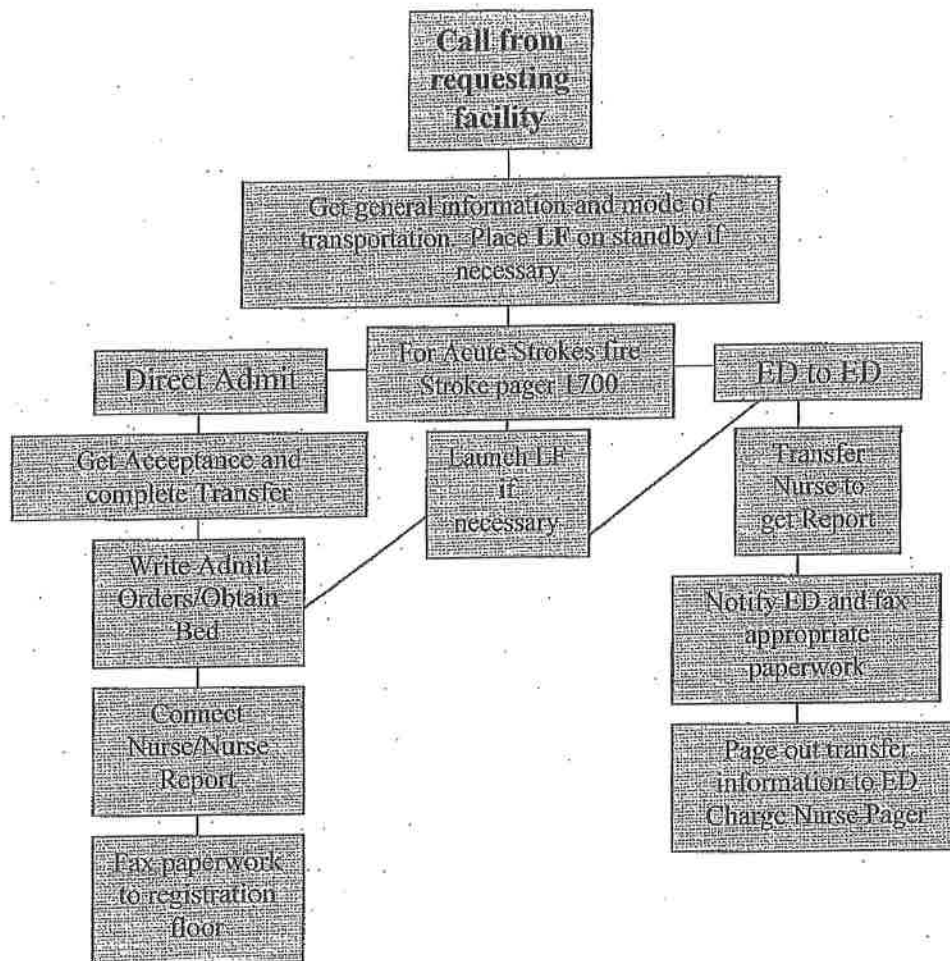
2012 SEP 25 AM 8:52



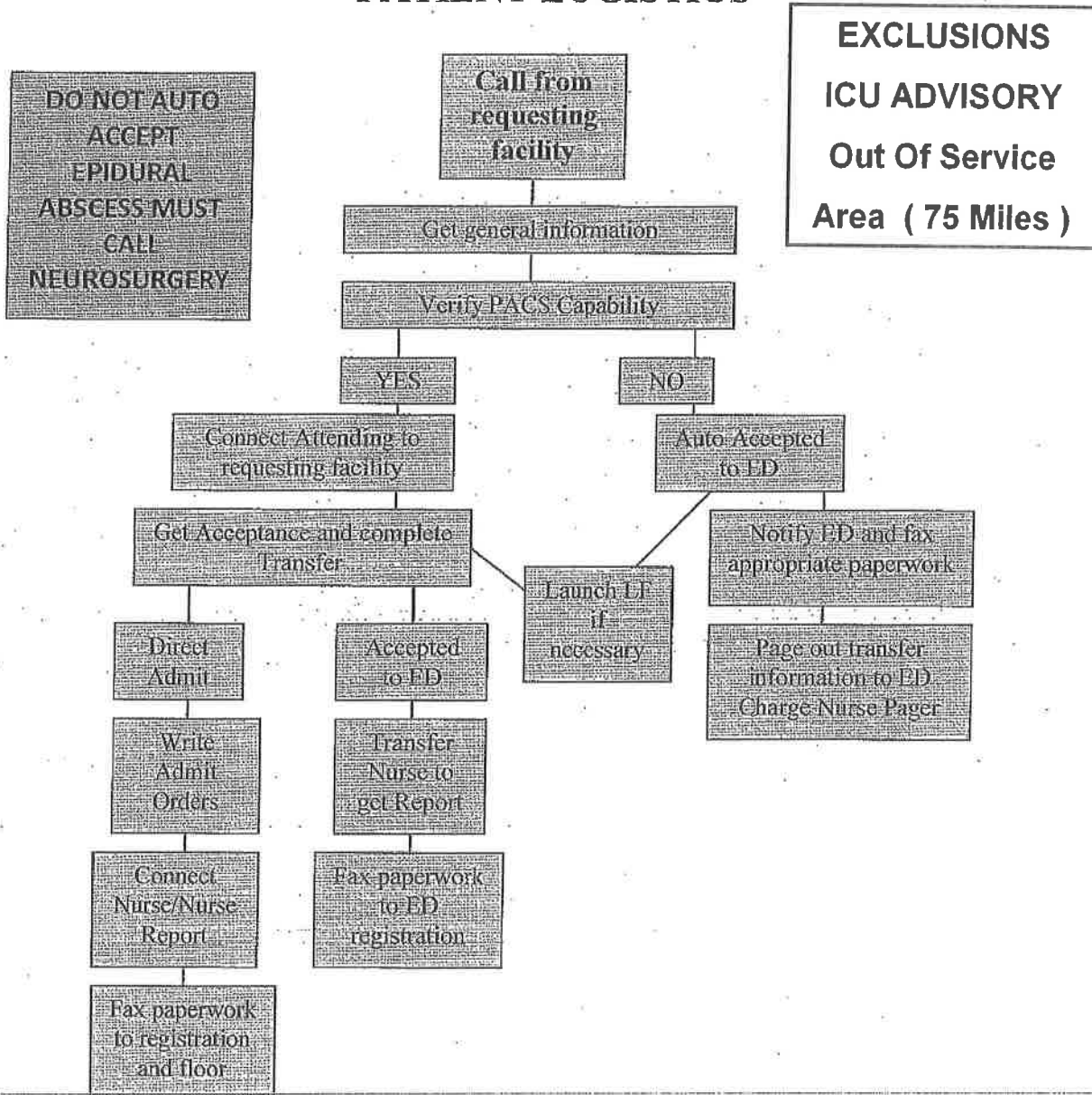
Neurology/Stroke Protocol

Patient Logistics

Page A-11



NEUROSURGERY PROTOCOL PATIENT LOGISTICS



PATIENT TRANSFER AGREEMENT

This Patient Transfer Agreement (hereinafter "Agreement"), made and entered into this 1st day of October, 2001 by and between the Chattanooga-Hamilton County Hospital Authority, a Tennessee governmental hospital authority duly created and existing under the Private Acts of the State of Tennessee commonly known as Erlanger Health System or Erlanger Medical Center (hereinafter referred to as "Erlanger"), and the following entity (hereinafter referred to as "Transferor").

Transferor's Name and Address:

Erlanger Bledsoe
128 Wheelertown Rd.
Pikeville, TN 37367

Person to Contact for

Readmission to Transferor:

Stephanie Baynton
Title: Director of Operations
Telephone No. (423) 447-2112
Fax No. (423) 447-6971

WITNESSETH:

WHEREAS, Erlanger and Transferor have determined that they have agreed to enter into a transfer agreement for transfer of patients between the respective parties.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions contained herein, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Erlanger and Transferor agree as follows:

Purpose: The purpose of this agreement is to facilitate the identification of ill or injured patients at the referring Hospital that would benefit from transfer to EMC. This agreement is intended to cover all types of transfers to include those to the trauma and burn centers at EMC.

1. Transfer of Patients:

1.1 Upon the determination by the patient's attending/transferring physician that a transfer is medically appropriate and the acceptance of the transfer by the receiving physician, a patient in either of the above named hospitals may be transferred to the other facility, provided, the transferring and receiving physician are members of the medical staffs of their respective hospitals and the transferring physician has evaluated the patient prior to transfer and ordered appropriate treatment, personnel, and equipment to stabilize the patient to the extent medically possible prior to transfer and to sustain the patient while in the transit.

1.2 Both hospitals shall exercise reasonable effort to facilitate medically appropriate transfers between their institutions, and agree that the transfer of a patient will not be predicated upon arbitrary, capricious, or unreasonable discrimination.

2. Obligations of Transferor:

2.1 **Transfer Approval.** Before any transfer is initiated, Transferor shall contact the Transfer Center at Erlanger and/or any other department or area designated by Erlanger pursuant to the notice provisions of this Agreement to obtain clinical approval for transfers. Non-emergent requests may be screened prior to transfer for appropriateness.

2.2 **Indemnity.** Transferor agrees to indemnify and hold harmless Erlanger for any claims, damages, losses or causes of action arising as a result of or liability due to the transfer of a patient from the Transferor.

2012 SEP 25 AM 8:48

2.3 Federal and State Laws, Including Equal Employment Opportunity. Without limitation of any provision herein set forth, the parties expressly agree to abide by any and all applicable federal and state statutes, rules, and regulations including any requiring equal employment opportunity, Title VI and Title VII of the Civil Rights Act of 1964, the Equal Employment Opportunity Act of 1972, the Age Discrimination In Employment Act of 1975, the Equal Pay Act of 1963, the National Labor Relations Act, the Fair Labor Standards Act, the Rehabilitation Act of 1973, and the Occupational Safety and Health Act of 1970, all as may be from time to time modified or amended. In accordance therewith, the parties agree that no individual shall, on the grounds of race, sex, color, creed, national origin, age or handicap status be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination by the parties. The parties further agree to hold the other harmless from any and all liability arising from any breach of this covenant.

2.4 Transferor agrees to meet on an "as needed" basis with representatives of Erlanger for the purposes of quality and process improvement.

2.5 Transferor agrees to accept from EMC the transfer of any patient being treated at EMC due to an earlier transfer (from Transferor) effected under this agreement once such patient has reached the point where he/she can be treated adequately at Transferor facilities.

3. Obligations of Erlanger.

3.1 Acceptance of Patients. Erlanger agrees to accept patients from Transferor subject to the following terms and conditions, which terms and conditions must be satisfied prior to any obligation of Erlanger to accept said patient:

(a) An emergency condition must exist or be likely to occur if transfer is not effected or specialized medical care must be needed, based upon information provided by or on behalf of Transferor, which information Transferor hereby certifies will be true and accurate and thereafter approved by Erlanger or its designee;

(b) The Transferor must not be capable of providing the nature of emergency services or specialized medical care that the patient requires;

(c) Erlanger must be capable of providing the nature of emergency or specialized medical care the patient requires;

(d) Erlanger must have facilities and staff available to accept and care for the patient;

(e) The patient must be capable of being transferred as determined in the sole discretion of the Transferor;

(f) Erlanger must be able to locate an attending physician who will accept the care of the patient; and,

(g) Transferor must have been and must currently be fulfilling all requirements and obligations under this Agreement.

Erlanger agrees to admit any patient of the Transferor meeting the above-listed criteria that requires medical care at Erlanger when such hospitalization is deemed necessary by the receiving attending physicians and/or the physician in charge of Erlanger's emergency room. This agreement that the transfer is necessary may be made telephonically but shall be made prior to any transfer taking place.

4. Financial Arrangements.

4.1 Collection. Erlanger shall not assume any responsibility for the collection of any accounts receivable arising as a result of the treatment or rendition of services of the Transferor. However, Erlanger shall be entitled to bill and collect from transferred patients for services provided at Erlanger.

4.2 Transportation Expenses. Neither of the parties shall be liable for any debts, obligations or claims of a financial or legal nature incurred by the other and each party shall assume full responsibility for its own maintenance and operation. However, Erlanger will not be responsible for any expenses incurred in the transfer of any patients pursuant to this Agreement or otherwise. Any expenses incurred in the transfer of a patient shall be the responsibility of the patient or the applicable third-party payer.

5. Patient.

5.1 Patient Records. Transferor and Erlanger mutually agree to send with each patient, at the time of transfer, or, in the case of emergency, as promptly as possible after the transfer, an abstract of pertinent and other information necessary to continue the patient's treatment without interruption to either with essential identifying and administrative information including financial and insurance information. Such information shall include medical findings, diagnosis, rehabilitation potential, a brief summary of the course of treatment in the transferring hospital or extended-care facility, nursing and dietary information, ambulation status and any social information that might be helpful to the receiving facility.

5.2 Status of Patient. Upon admission of a patient to Erlanger, the patient shall become a patient of Erlanger. Provided, however, by agreeing to admit a patient pursuant to the terms of this Agreement, Erlanger does not assume any responsibility for the patient until said patient arrives at Erlanger's emergency room unless such transfer is made by Erlanger's owned or contracted air ambulance, ambulance, or other vehicle.

6. Term and Termination.

6.1 Term. This Agreement shall be effective as of the day and date first above written, for an initial term through the next June 30, and shall be automatically renewed under like terms and conditions for one (1) year periods thereafter, unless terminated in accordance with this Agreement.

6.2 Termination. This Agreement may be terminated on the first to occur of any of the following:

6.2-1 Termination by Agreement. In the event Erlanger and Transferor shall mutually agree in writing, this Agreement may be terminated on the terms and date stipulated therein.

6.2-2 Voluntary Termination. This Agreement may be terminated by either party for any reason, by giving thirty (30) days written notice of its intention to withdraw from the Agreement, and by insuring the continuity of care to patients who already are involved in the transfer or treatment process. To this end, the terminating party will be required to meet its commitments under this Agreement to all patients.

6.2-3 Default Termination. This Agreement shall be terminated immediately if either institution: (1) is destroyed to such an extent that the patient care provided by such institution cannot be carried out adequately; (2) loses its license or accreditation; (3) is no longer able to provide the services for which this Agreement was made; (4) is declared bankrupt, files for bankruptcy, or becomes insolvent; or (5) is in default under any of the terms of this Agreement.

6.2-4 Termination for Breach. In the event either party materially breaches or defaults in the performance of any obligation under this Agreement, and such breach or default shall not be cured within five (5) days following the giving of notice by the other party, the party giving such notice shall have the right to immediately terminate this Agreement. If Erlanger gives such notice and the Agreement is terminated, then, in addition to all other remedies at law and this Agreement, Erlanger shall have no further obligation of any sort (legally, morally, or ethically) to accept any future transfers from Transferor.

7. **Miscellaneous.**

7.1 Relationship of the Parties. The relationship of the parties one to another shall be that of independent contractors. Nothing in this Agreement shall in any way affect the autonomy of either institution. The governing body of Erlanger and the governing body of Transferor shall have the exclusive control of the management, assets, and affairs of the respective institution. Neither party by virtue of this Agreement assumes any liability for any debts or obligations of either a financial or legal nature incurred by the other party to this Agreement, except as provided herein. Nothing in this Agreement shall be construed as limiting the rights of either party to affiliate or contract with any other hospital or health care institution while this Agreement is in effect.

7.2 Advertising and Public Relations. Neither party shall use the name of the other in any promotional or advertising material unless reviewed and prior approval of the intended use shall be obtained from the party whose name is to be used. Both institutions shall deal with each other publicly and privately in an atmosphere of mutual respect and support, and each institution shall maintain good public relations and efficiently handle complaints and inquire with respect to transferred or transferring patients.

7.3 Cooperation Regarding Claims. The parties agree to promptly notify the other in writing of any incident, occurrence, transaction or claim arising out of or in connection with the transfer or medical treatment of a patient transferred from one institution to another under this Agreement, and to cooperate with each other in the investigation of said incident, occurrence, transaction or claim.

7.4 Notices. Any notice, demand, or communication required, permitted or desired to be given hereunder shall be deemed effectively given when mailed by prepaid certified mail, return receipt requested; delivered by hand or personal delivery or overnight courier service; or by facsimile or electronic transmission which date and time stamps such notices, addressed as follows:

Erlanger:

Chattanooga-Hamilton County
Hospital Authority
975 East Third Street
Chattanooga, Tennessee 37403
ATTN: Roger Forgey
Facsimile No. (423) 778-8068

Transferor:

At the name and address or fax number
set forth in the first paragraph of this Agreement
or to such other address, and to the attention of
such other person or officer as either party may designate
by written notice.

7.5 Non-Waiver. No waiver of any term or condition of this Agreement by either party shall be deemed a continuing or further waiver of the same term or condition or waiver of any other term of condition of this Agreement.

7.6 Governing Law. This Agreement is made and entered into in the State of Tennessee and shall be governed and construed in accordance with the laws of the State of Tennessee. Hamilton County, Tennessee shall be the sole and exclusive venue for any litigation, special proceedings or other proceeding between the parties that may be brought or arise out of or in connection with or by reason of this Agreement.

7.7 Assignment. This Agreement shall not be assigned in whole or in part by either party hereto without the express written consent of the other party.

7.8 Severability. In the event that any portion of this Agreement shall be determined to be invalid or unenforceable, the remainder of this Agreement shall be deemed to continue to be binding upon the parties hereto in the same manner as if the invalid or unenforceable provisions were not a part of this Agreement.

7.9 Amendment. This Agreement may be amended at any time by a written agreement signed by the parties hereto.

7.10 Entire Agreement. This Agreement constitutes the entire agreement between the parties and contains all the agreements between them with respect to the subject matter hereof and supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the subject matter hereof.

7.11 Binding Effect. This Agreement shall be binding upon the successors or assigns of the parties hereto.

7.12 Venue. The venue for any litigation between the parties hereto arising out of or resulting from this Agreement is Hamilton County, Tennessee, and the parties hereto irrevocably submit themselves to the jurisdiction of the general court of justice in Hamilton County, Tennessee, and waive any right that they have or may have to any other jurisdiction.

IN WITNESS WHEREOF, Erlanger and Transferor have hereunto caused this Agreement to be executed as by law provided on the day and year first above written.

ERLANGER:

TRANSFEROR:

CHATTANOOGA-HAMILTON COUNTY

HOSPITAL AUTHORITY

By: 
Assistant to the President & VP Trauma, ED Services

By: 
Chief Executive Officer



franklin|architects

142 N Market St., Chattanooga, TN 37405

423.266.1207

September 24, 2012

Mr. Mike Baker
Director of Facilities
Erlanger Health System
975 East Third Street
Chattanooga, Tennessee 37403

Re: Dunlap ED Certificate of Need - Facility Physical Description

Dear Mr. Baker,

This is our description of the existing facility in Dunlap, Tennessee and a brief assessment of the work required to bring it up to current Facility requirements as detailed in the 2010 Guidelines for Design and Construction of Health Care Facilities, and current requirement of the International Building Code and the National Fire Protection Associations Life Safety Code. The existing facility is presently fully sprinklered. The facility presently has two emergency generators totaling 160 kw capacity. The facility was originally designed as an Emergency Department with Institutional Occupancy in 1994.

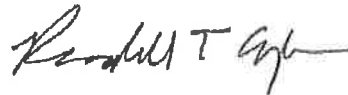
The existing facility has about 1,100 square feet of patient triage, exam and treatment spaces, including a trauma room and an orthopedic room. There is approximately 500 square feet of waiting space which should accommodate about 50 occupants. There exists a separate ambulance entrance with a decontamination room. Other required spaces such as a nurse's work and communication station, patient toilets, soiled utility room, clean workroom, storage, staff lounge and toilet, and environmental services are all provided.

There is an existing 400 sf radiology suite, which will require the addition and installation of x-ray imaging and processing equipment to become functional. There is an existing 410 sf lab area.

Generally, the facility needs some upgrade of finishes (painting, removal of wallcoverings, floor patching, ceiling panel replacement, etc.) and

maintenance upgrades to some infrastructure systems (nurse call, telephone and data systems, intercom, etc.). It is estimated to be about \$85,000 of renovation cost to include upgrading the finishes and the minor electrical work.

Sincerely,



Randall T. Cagle, AIA
Tennessee Registration #017124



Board of Trustees
975 East Third Street
Chattanooga, TN 37403
Phone 423/778-2232
Fax 423/778-2231

MEMORANDUM

TO: Planning Committee Members *

FROM: Jennifer Stanley, Chairperson

DATE: August 16, 2012

SUBJECT: COMMITTEE MEETING

The Planning Committee is scheduled to meet on Monday, August 20 at 3:00 p.m. in the POB.

An Agenda with links to items for discussion is attached for your review.

Thank you.

* Russell King, Vice Chair
Phil Burns, MD
Jim Creel, MD
Alan Kohrt, MD

Phyllis Miller, MD
David Seaberg, MD
Lynn Whisman
Joe Winick

Charlesetta Woodard-
Thompson
Jim Worthington

copy: All other Trustees
Executive Management
Public Relations
Audio Visual Department



**CHATTANOOGA-HAMILTON COUNTY HOSPITAL AUTHORITY
OF TRUSTEES**

PLANNING COMMITTEE

**ORDER OF BUSINESS
August 20, 2012**

Open Session

- | | | |
|------|--|------------------|
| I. | Call to Order | Jennifer Stanley |
| II. | Introductions | Jennifer Stanley |
| III. | Approval of Open Session Minutes
(<u>July 23, 2012</u>) | Jennifer Stanley |
| IV. | New Business | Jennifer Stanley |
| V. | Unfinished Business | Jennifer Stanley |
| VI. | Adjournment | Jennifer Stanley |

Closed Session

- | | | |
|------|---|------------------------------|
| I. | Statement to Close Meeting and Roll Call Vote
<i>Pursuant to Title 68 of the Tennessee Code Annotated, Chapter 11</i> | Jennifer Stanley |
| | <i>Due to the nature of the meeting, the matter or material presented shall be treated as confidential and not public records. No recommendation shall be made nor action taken at this meeting.</i> | |
| | <i>Any action taken on the subject matter of this meeting shall be subject to the Open Meetings Act, and shall take place at an open meeting. The strategic documents or plans approved at any such meeting shall be subject to the public records laws and shall be open for inspection at least seven (7) days before any action.</i> | |
| II. | Approval of Closed Session Minutes
(<u>July 23, 2012</u>) | Jennifer Stanley |
| III. | Unfinished Business | |
| IV. | New Business | |
| | A. Blue Cross/PWC Update | Charlesetta Woodard-Thompson |
| | B. <u>FY12 Scorecard Metrics</u> | Joe Winick |
| | C. <u>FY13 Scorecard Metrics</u> | Joe Winick |
| | D. <u>Market Report</u> | Joe Winick |
| | E. <u>Dunlap Update</u> | Joe Winick |
| | F. <u>Cost Avoidance</u> | Joe Winick |
| V. | Miscellaneous | Jennifer Stanley |
| VI. | Adjournment | Jennifer Stanley |

ABMS® Board Certification Credentials Profile*A service provided by the American Board of Medical Specialties*[New Search](#) | [Search Results](#) | [Feedback](#) | [Save Physician](#) | [Print](#)**Farrokh Ghamgosar (ABMSUID - 425746)**

Viewed: 5/22/2012 1:10:26 PM CST

DOB: 12/11/1953

Status: Alive

Certification**American Board of Family Medicine****Family Medicine - General****Status: Certified**

Active	Time-Limited	Recertification	08/04/2007 - 12/31/2014
Expired	Time-Limited	Recertification	07/14/2000 - 12/31/2007
Expired	Time-Limited	Initial Certification	07/09/1993 - 12/31/2000

**Meeting Maintenance of Certification (MOC) Requirements****American Board of Family Medicine**Yes (For more information [click here](#))**Education**

1979 MD (Doctor of Medicine)

Location

Private

Chattanooga, TN 37405-4275 (United States)



Notice: It is up to the user to determine if the physician record obtained from this service is that of the physician being sought.

The information as presented by this service is approved for business use and is valid to meet the primary source verification requirements for credentialing as set by JCAHO, NCQA, URAC and other accrediting agencies.

The ABMS physician specialty certification data provided by CertIFACTS On-Line is proprietary and copyrighted by the American Board of Medical Specialties (ABMS®) and subject to the intellectual property laws of the United States. © 2006, ABMS, All Rights Reserved.

The Powered by ABMS Direct Connect and ABMS Official Display Agent logos are registered trademarks of the American Board of Medical Specialties.



American Board of Family Medicine

HOME > Find a Physician > Verification

Verification

The certification history below verifies Farrokh Ghangosar, M.D. is currently certified with the American Board of Family Medicine (ABFM).

Certification by the American Board of Family Medicine is time-limited for a period of seven years and is renewed through successful completion of the Maintenance of Certification for Family Physicians (MC-FP) process. The MC-FP process became effective for physicians certified or recertified on or after July 11, 2003. Physicians whose certification has expired may renew their certification at such time as they fulfill all the requirements in effect at that time.

Certification	Certification Status	Certification History	Current MC-FP Status
Family Medicine	Certified	<ul style="list-style-type: none"> - Certified 07/09/1993 - 07/13/2000 - Recertified 07/14/2000 - 06/03/2007 - Recertified 08/04/2007 - 12/31/2014 	Participating and Current

MC-FP Status is based on participation in the Maintenance of Certification for Family Physicians (MC-FP) process. Please see the descriptions below for each status:

- **Participating and Current**—Physician has met all current requirements.
- **Participating but not Current**—The physician has not completed all current requirements.
- **Not Participating**—The physician has not fulfilled the requirements for entry into MC-FP.
- **Not scheduled to participate until next recertification**—The physician is not scheduled to begin MC-FP until the completion of requirements for next recertification.
- **Not scheduled to participate until first certification**—The physician is not scheduled to begin MC-FP until the completion of requirements for first-time certification.

The ABFM recommends the use of the online verification letter for verifying the physician's status with the ABFM, however identical information can be provided in a written verification of a physician's status from the ABFM for a fee of \$25.00 per physician.

Note: The ABFM does not assign Certificate numbers.

[View/Print Verification Letter Online](#)

[Request hard copy from the ABFM \(\\$25 fee\)](#)

[Support](#) | [Privacy Policy](#) | [Contact Us](#) | ABFM Support Center: 077-223-7437

The American Board of Family Medicine, Inc. | 1648 McGlothlen Parkway Suite 650, Lexington KY, 40511-1247
 Phone: 859-269-5626 or 888-998-5700 | Fax: 859-335-7601 or 859-335-7609 | Email: help@theabfm.org
 The ABFM is a member of the American Board of Medical Specialties
 Copyright (c) American Board of Family Medicine, Inc.

PROVIDED BY APPLICANT

ABMS® Board Certification Credentials Profile*A service provided by the American Board of Medical Specialties***New Search | Search Results | Feedback | Save Physician | Print****Omar Ricardo Chavez Ramones (ABMSUID - 852655) Viewed: 4/16/2012 1:45:30 PM CST**

DOB: 04/05/1966

Status: Alive

Certification

American Board of Internal Medicine

*Internal Medicine - General***Status: Certified**

Active

Time-Limited

Initial Certification

08/24/2007 - 12/31/2017

Education

1991 MD (Doctor of Medicine)

Location

Private

Jellico, TN 37762-3518 (United States)



Notice: It is up to the user to determine if the physician record obtained from this service is that of the physician being sought.

The information as presented by this service is approved for business use and is valid to meet the primary source verification requirements for credentialing as set by JCAHO, NQQA, URAC and other accrediting agencies.

The ABMS physician specialty certification data provided by CertiFACTS On-Line is proprietary and copyrighted by the American Board of Medical Specialties (ABMS®) and subject to the intellectual property laws of the United States. © 2006, ABMS, All Rights Reserved.

The Powered by ABMS Direct Connect and ABMS Official Display Agent logos are registered trademarks of the American Board of Medical Specialties.

PROMOTING EXCELLENCE
IN HEALTH CARE



American Board
of Internal Medicine

510 Walnut Street Suite 1700 Philadelphia, PA 19106-3699 215.446.3500 FAX 215.446.3170 E-MAIL request@abim.org

October 24, 2007

Donald E. Wilson, MD
Chair

Richard J. Barni, MD
Chair-Elect

Kenneth S. Polonsky, MD
Secretary-Treasurer

Christine K. Cassel, MD
President
Chief Executive Officer

Marc D. Feldman, MBA
Senior Vice President
Chief Financial Officer

Kate S. Holubun, MD
Senior Vice President
Quality Research &
Academic Affairs

Lynn O. Langdon, MS
Senior Vice President
Chief Operating Officer

Gary S. Bennett, MD, PhD
Senior Vice President
Strategy & Clinical Analytics

Ann Greiner, MCF
Vice President
Policy

Donald J. Kouker
Vice President
Information Technology

Rebecca S. Lipner, PhD
Vice President
Psychiatrics &
Research Analysis

Paul A. Pomiatowski, MS
Vice President
Test Development

F. Daniel Dully, MD
Senior Advisor
to the President

A MEMBER BOARD OF THE
AMERICAN BOARD OF
MEDICAL SPECIALTIES (ABMS)

800.441.2246
www.abim.org

Dr. Omar Ricardo Chavez Ramones
141 Marilyn Court
Jellico, TN 37762-2390

Candidate Number: 278693

Dear Dr. Chavez Ramones:

Congratulations! The Board is pleased to inform you that you passed the 2007 Certification Examination in Internal Medicine and are now certified as a Diplomate in Internal Medicine. Your certification will remain valid through the year 2017.

The following information regarding your certification is attached:

- Score Report
- Description of the Score Report
- Form to order your certificate(s)

The Board's Web site <www.abim.org> includes a page to verify certification status and information about the ABIM and its activities. The ABIM verification of certification web page has been updated to indicate that you are certified.

To ensure that you receive timely information from the Board about maintaining your certification, please notify us of any changes in contact information, including an e-mail address. You can update contact information online through the ABIM Web site.

Your name will be provided to the American Board of Medical Specialties for listing in *The Official ABMS Directory of Board Certified Medical Specialists*. You will receive a form from the ABMS, the publisher of the directory, soliciting the information to appear in your listing.

As a newly certified internist, you join a profession committed to life-long learning and quality improvement. These goals are embodied in the ABIM Maintenance of Certification (MOC) program. Details about the MOC program can be found on the ABIM Web site, and the Board will inform you by mail about your MOC status annually.

The Board wishes you continued success as a board certified internist.

Most sincerely,

Christine K. Cassel, M.D.

RECEIVED 05/16/12 AS

CURRICULUM VITAE

Personal Information

- Name: Omar Ricardo Chávez.
- Date of Birth: April 5th 1966.
- Place of Birth: Mene Grande, Zulia, Venezuela.
- Citizenship: Venezuelan.
- US Immigration Status: Permanent Resident.
- Venezuelan ID # 7.858.124
- Venezuelan passport # 7.858.124
- Marital Status: Married, two children.
- Contact Information:

Telephone -- 423-784-6717 (home)

787-4691076 (mobile)

E-mail: orchavezr@yahoo.com.

Address: 106 Old Wooldridge Pike, Jellico, TN, 37762, USA

- Languages spoken -- Spanish, English, French, Papiamentu

Education

Secondary School: Instituto "ABC", Lagunillas, Zulia, Venezuela
Average Score: 18.3 out of 20, best score (class rank N° 1)

University: Universidad del Zulia, Maracaibo, Zulia, Venezuela
February 1984 till September 1991
Diploma: "Médico Cirujano" (Physician & Surgeon)
Score: 16.605 out of 20. Class rank N° among 105

graduates

Post Graduate:

Anaesthesiology

Universidad de Los Andes. Mérida, Venezuela

January 1996 to December 1999

Diploma "Especialista en Anestesiología" (Specialist in Anesthesiology).

Internal Medicine

San Juan City Hospital -- San Juan, Puerto Rico

July 2004 to June 2007

Diploma: "Specialist in Internal Medicine".

English as a Second Language:

Feb - Nov 1992

Red Clay Consolidated School District. Wilmington, Delaware

Page 2

2012 SEP 25 AM 8:48

Work Experience:**Rural Internship**

Ambulatorio Rural tipo II, Río Claro, Estado Lara, Venezuela
December 1992 to December 1993.

Surgery

Hospital General Dr. Pastor Oropeza
Barquisimeto, Estado Lara, Venezuela
December 1993 to December 1995

(This was a two-year contract for in-house staff, not a specialty

Residency)**Residency in Anesthesiology**

Hospital de la Universidad de Los Andes. Mérida, Venezuela
January 1996 to December 1998.

Anaesthesia Locum Tenens

Hospital General de San Felipe. San Felipe, Venezuela
January 1999 to March 1999

Anaesthesia

Sint Elizabeth Hospitaal -- Curaçao, Netherlands Antilles
April 1999 to May 2000

Kliniek Dr. Jan Taams -- Curaçao, Netherlands Antilles
April 2000 to February 2002

Preparation and sitting for US Medical Licensure Examinations:
February 2002 to February 2003

Anaesthesia

Sint Maarten Medical Center, Saint Martin, Netherlands Antilles.
February 2003 to May 2004

Residency in Internal Medicine

San Juan City Hospital, Puerto Rico. (ACME accredited.)
July 2004 to June 2007.

Internal Medicine

Ho Physicians Services.
Out Patient Solo Practice
Williamsburg, Kentucky, USA
November 2007 until Oct 2012.

Page 3**Internal Medicine:**

Appalachia Health Services
Williamsburg, KY and Jellico, TN
Traditional Internal Medicine plus ER shifts.
November 2011 till present

Licensure:

- Venezuela -- Ministerio de Sanidad y Asistencia Social, permanent license #40356, August 1994
- Curaçao, Netherlands Antilles, March 2002.
- Puerto Rico License # 26179
- United States of America

ECFMG/USMLE (Educational Commission for Foreign Medical Graduates/United States Medical License Examination) Certificate, # 0-626-631-6, February 2003

- Kentucky -- License number 40719. Feb 2007
- Tennessee -- License number: 43816. August 2008

Board Examinations:

USMLE Steps 1, 2 and 3, Clinical Skill Assessment
(all passed in one attempt)
Step 1: Aug 2002
Step 2: Dec 2002
Step 3: Aug 2005

ABIM (Internal Medicine Board Certification) Oct 2007.

Hobbies and Interests:

- First trumpet player in "Youth Symphonic Orchestra Maraven", Zulia, from 1978 till 1981.
- Choir director in several church choirs in Venezuela, the US and Puerto Rico.

ABMS® Board Certification Credentials Profile*A service provided by the American Board of Medical Specialties***New Search | Search Results | Feedback | Save Physician | Print****Jeffrey Vaughan Atkins (ABMSUID - 147510)****Viewed: 4/6/2011 11:05:05 AM CST**

DOB: 10/25/1955

Status: Alive

Certification**American Board of Internal Medicine****Internal Medicine - General****Status: Certified**

Active

Lifetime

Initial Certification

09/11/1985 -

Education

1981 MD (Doctor of Medicine)

Location3120 Waterfront Dr
Chattanooga, TN 37419-1535 (United States)

Notice: It is up to the user to determine if the physician record obtained from this service is that of the physician being sought.

The information as presented by this service is approved for business use and is valid to meet the primary source verification requirements for credentialing as set by JCAHO, NCCA, URAC and other accrediting agencies.

The ABMS physician specialty certification data provided by CertiFACTS On-Line is proprietary and copyrighted by the American Board of Medical Specialties (ABMS®) and subject to the intellectual property laws of the United States. © 2006, ABMS, All Rights Reserved.

The Powered by ABMS Direct Connect and ABMS Official Display Agent logos are registered trademarks of the American Board of Medical Specialties.

APR 10 2003
 RECEIVED
 American Medical Association

THE AMERICAN BOARD OF INTERNAL MEDICINE

INCORPORATED 1936

ATTESTS THAT

Jeffrey Vaughan Atkins

HAS MET THE REQUIREMENTS OF THIS BOARD AND IS HEREBY
 DESIGNATED A DIPLOMATE CERTIFIED IN
 THE SPECIALTY OF

INTERNAL MEDICINE



William N. Keane CHAIRMAN	Michael E. Dennis	Leonard D. Harkins	Stanley L. Schur
Harold S. Fallon CHIEF OF STAFF	James T. Dwyer	Edgar A. Jellum, Jr.	Wright Sturges
Thomas A. Spencer SECRETARY/TREASURER	Robert M. Dinkler, Jr.	Thomas A. James	Jon H. Stein
James E. Eley	Lawrence E. Eley	Harry R. Kornblum	David J. Hunter
Donald T. Egan	Donald T. Egan	Michael D. Kohn	John S. Langan
Stephen W. Sklar	Stephen W. Sklar	S. Ross M. King	Frank E. Thomas
James P. Tunkel	James P. Tunkel	David L. Marshall	Harvey Weiss
William H. Harrison	William H. Harrison	John Murray	Kenneth A. Weber
Stephen G. Gelfinger	Stephen G. Gelfinger	Robert E. Reimens	Robert M. Wolff
William R. Haggard	William R. Haggard	Robert H. Runkle	

DATE
 SEPTEMBER 11, 1985

INDEX 104872

FORM 200-405

ABMS® Board Certification Credentials Profile*A service provided by the American Board of Medical Specialties***New Search | Search Results | Feedback | Save Physician | Print****Allan W. Dale (ABMSUID - 385445)****Viewed: 8/18/2011 10:51:16 AM CST**

DOB: private

Status: private

Certification**American Board of Emergency Medicine****Emergency Medicine - General****Status: Certified**

Active	Time-Limited	Recertification	12/29/2003 - 12/31/2013
Expired	Time-Limited	Initial Certification	06/02/1994 - 12/31/2004

American Board of Family Medicine**Family Medicine - General****Status: Not Certified**

Expired	Time-Limited	Recertification	07/09/1999 - 12/31/2006
Expired	Time-Limited	Recertification	07/09/1993 - 12/31/2000
Expired	Time-Limited	Recertification	07/10/1987 - 12/31/1994
Expired	Time-Limited	Initial Certification	07/10/1981 - 12/31/1988

Education

1978 MD (Doctor of Medicine)

Location3854 Pickett Rd
Signal Mountain, TN 37377-8526 (United States)

Notice: It is up to the user to determine if the physician record obtained from this service is that of the physician being sought.

The information as presented by this service is approved for business use and is valid to meet the primary source verification requirements for credentialing as set by JCAHO, NCCA, URAC and other accrediting agencies.

The ABMS physician specialty certification data provided by CertiFACTS On-Line is proprietary and copyrighted by the American Board of Medical Specialties (ABMS®) and subject to the intellectual property laws of the United States. © 2006, ABMS, All Rights Reserved.

The Powered by ABMS Direct Connect and ABMS Official Display Agent logos are registered trademarks of the American Board of Medical Specialties.

RECEIVED 08/18/11 AS

Established for the Certification
of Emergency Physicians
Hereby Declares that

Allan M. Baile, M.D.

Has Successfully Fulfilled the
Requirements of the Board and
is Recertified as a Diplomate of the
American Board of Emergency Medicine
December 29, 2003 - December 31, 2013

President

John J. Hoff

Secretary

John J. Hoff

Certification Number

870931



AMERICAN BOARD OF EMERGENCY MEDICINE



ABMS® Board Certification Credentials Profile*A service provided by the American Board of Medical Specialties***New Search | Search Results | Feedback | Save Physician | Print****Fredrick S. Dibrell (ABMSUID - 603574)**

Viewed: 5/12/2011 2:38:10 PM CST

DOB: 04/15/1965

Status: Alive

Certification**American Board of Internal Medicine****Internal Medicine - General****Status: Certified**

Active	Time-Limited	Recertification	01/29/2010 - 12/31/2020
Expired	Time-Limited	Initial Certification	08/24/1999 - 12/31/2009

American Board of Pediatrics**Pediatrics - General****Status: Certified**

Active	Time-Limited	Recertification	01/01/2006 - 12/31/2012
Expired	Time-Limited	Initial Certification	10/28/1998 - 12/31/2005

Education

1994 MD (Doctor of Medicine)

LocationHC 77 Box 909
Melbourne, AR 72556-9719 (United States)

Notice: It is up to the user to determine if the physician record obtained from this service is that of the physician being sought.

The information as presented by this service is approved for business use and is valid to meet the primary source verification requirements for credentialing as set by JCAHO, NCQA, URAC and other accrediting agencies.

The ABMS physician specialty certification data provided by CertiFACTS On-Line is proprietary and copyrighted by the American Board of Medical Specialties (ABMS®) and subject to the intellectual property laws of the United States. © 2006, ABMS, All Rights Reserved.

The Powered by ABMS Direct Connect and ABMS Official Display Agent logos are registered trademarks of the American Board of Medical Specialties.

RECEIVED 05/12/11 AS



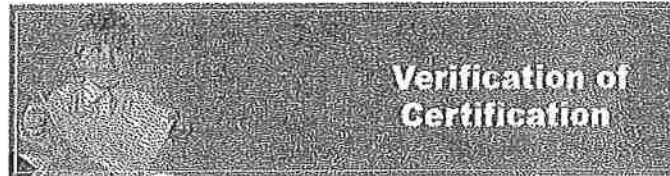
Type Here to Search



My ABP Portfolio
Log In

For Pediatricians: [New User](#) | [Forgot ID/Password](#)

[Home](#) [About ABP](#) [Residents & Fellows](#) [Initial Certification](#) [Maintain Certification](#) [Workforce & Research](#) [Publications](#) [Verify Certification](#)



With information that is updated on a daily basis, this search only lists pediatricians who are currently certified by The American Board of Pediatrics.

Dibrell, Fredrick S.
Melbourne, AR
United States of America

Certification Area	Certified	Meeting the Requirements of Maintenance of Certification in this area
General Pediatrics	Yes 1998	Yes Learn More

[Back to Search List](#)

© 2009 The American Board of Pediatrics | 111 Silver Cedar Court | Chapel Hill, NC 27614 | 919.828.0461 | Member, American Board of Medical Specialties | [Privacy](#) | [Site Map](#) | [Contact ABP](#)

The American Board of Pediatrics

hereby declares that

Fredrick S. Bihrell, M.D.

has met the requirements of
the American Board of Pediatrics
and is hereby designated
a Diplomate certified in pediatrics

2006 - 2012

No. 054114

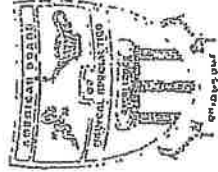
December 29, 2005



R. Solis
Chair, American Board of Pediatrics

James C. Lockman
President, American Board of Pediatrics

A. Judd
Secretary, American Board of Pediatrics



2012 SEP 25 AM 8:48

ABMS® Board Certification Credentials Profile*A service provided by the American Board of Medical Specialties***New Search | Search Results | Feedback | Save Physician | Print****Lester Dale McCartney (ABMSUID - 216181)****Viewed: 3/14/2012 3:55:25 PM CST**

DOB: 08/27/1958

Status: Alive

Certification**American Board of Family Medicine****Family Medicine - General****Status: Not Certified**

Expired Time-Limited Recertification 07/09/2004 - 12/31/2011

Expired Time-Limited Recertification 07/11/1997 - 12/31/2004

Expired Time-Limited Initial Certification 07/13/1990 - 12/31/1997

**Meeting Maintenance of Certification (MOC) Requirements****American Board of Family Medicine****No (For more information [click here](#))****Education**

1985 MD (Doctor of Medicine)

LocationRR 1 Box 569d
Whitwell, TN 37397-9643 (United States)

Notice: It is up to the user to determine if the physician record obtained from this service is that of the physician being sought.

The information as presented by this service is approved for business use and is valid to meet the primary source verification requirements for credentialing as set by JCAHO, NCCA, URAC and other accrediting agencies.

The ABMS physician specialty certification data provided by CertiFACTS On-Line is proprietary and copyrighted by the American Board of Medical Specialties (ABMS®) and subject to the intellectual property laws of the United States. © 2006, ABMS, All Rights Reserved.

The Powered by ABMS Direct Connect and ABMS Official Display Agent logos are registered trademarks of the American Board of Medical Specialties.

American Board of Family Practice



Walter Dale McCarney, M.D.

is a Diplomate of this Board and
having met its continuing requirements is hereby

Recertified

as a

Diplomate

2004-2011



James C. Ruffalo
Executive Director and Secretary

Tom E. Manning
President

RECEIVED

JAN 28 2005

TPQVO

7
ERL
MHS

RECEIVED 10/26/07 KAY



American Board
of Family Medicine

[HOME](#) > [Find a Physician](#) > [Verification](#)

Verification

The certification history below verifies **Lester Dale McCartney, M.D.** is currently not certified with the American Board of Family Medicine (ABFM).

Certification by the American Board of Family Medicine is time-limited for a period of seven years and is renewed through successful completion of the Maintenance of Certification for Family Physicians (MC-FP) process. The MC-FP process became effective for physicians certified or recertified on or after July 11, 2003. Physicians whose certification has expired may renew their certification at such time as they fulfill all the requirements in effect at that time.

The ABFM website serves as primary source verification.

Certification	Certification Status	Certification History	Current MC-FP Status
Family Medicine	Not Certified	Jul 13, 1990 - Jul 10, 1997 Jul 11, 1997 - Jul 08, 2004 Jul 09, 2004 - Dec 31, 2011	Not Certified

*Note: The ABFM began assigning certification numbers in 2011 for the Family Medicine Certification. Those physicians last certified/recertified prior to 2011 will not have a certification number.

Comment(s) are available.

As an ABFM Diplomate, certification status only changes at the beginning of a calendar year, unless revoked for specific reasons such as disciplinary actions, conducting ANNUAL primary source verification on or after February 15 of each year will ensure you have accurate certification status for ABFM Diplomates.

MC-FP Status is based on participation in the Maintenance of Certification for Family Physicians (MC-FP) process. Please see the descriptions below for each status:

- **Meeting Requirements**—Physician has met all current requirements.
- **Not Certified**—Physician is currently not certified therefore does not have an MC-FP Status.

The ABFM recommends the use of the online verification letter for verifying the physician's status with the ABFM, however identical information can be provided in a written verification of a physician's status from the ABFM for a fee of \$25.00 per physician.

[View/Print Verification Letter Online](#)

[Request hard copy from the ABFM \(\\$25 fee\)](#)

[Support](#) | [Privacy Policy](#) | [Contact Us](#) | ABFM Support Center: 877-223-7437

The American Board of Family Medicine, Inc. | 1648 McGraiths Parkway Suite 550, Lexington KY, 40511-1247
Phone: 859-269-5826 or 888-995-5700 | Fax: 859-335-7501 or 859-335-7509 | Email: help@theabfm.org
The ABFM is a member of the [American Board of Medical Specialties](#)
Copyright © American Board of Family Medicine, Inc.

CURRICULUM VITAE

L. DALE MCCARTNEY, M.D.
EMERGENCY AND FAMILY MEDICINE
P.O. BOX 996
DUNLAP, TN 37327

HIGH SCHOOL: CHISHOLM TRAIL ACADEMY
KEENE, TEXAS
CO-VALEDICTORIAN 1977

COLLEGE: SOUTHWESTERN ADVENTIST COLLEGE
KEENE, TEXAS
BACHELOR OF SCIENCE IN BIOLOGY

MEDICAL: UNIVERSITY OF TEXAS HEALTH SCIENCE
CENTER
SAN ANTONIO, TEXAS
DOCTOR OF MEDICINE
08/81 - 5/85

RESIDENCY: HAMOT MEDICAL CENTER PROGRAM
ERIE, PENNSYLVANIA
FAMILY PRACTICE -- AAFP APPROVED
7/85 - 6/88

LICENSURE: TENNESSEE - ACTIVE, PENNSYLVANIA -
INACTIVE

BOARD CERTIFIED: NATIONAL BOARDS PART 3, 1986
CERTIFIED AMERICAN ACADEMY OF
FAMILY PRACTICE 1990, RE-CERTIFIED
1997

**PRACTICE
EXPERIENCE:** FAMILY PRACTICE
JASPER MEDICAL CENTER
JASPER, TN
1999 - PRESENT

CONTINUED PAGE 2

L. DALE MCCARTNEY, M.D.

**FAMILY PRACTICE/ER PHYSICIAN
NORTH VALLEY MEDICAL
DUNLAP, TN
1995 - 1999**

**EMERGENCY MEDICINE PHYSICIAN
CORY HOSPITAL
CORY, PENNSYLVANIA
1990 - 1992 (SABBATICAL 1994)**

**URGENT CARE PHYSICIAN
IMMEDIATE CARE
ERIE, PENNSYLVANIA
1988 - 1990**

C.M.E.:

**CERTIFICATIONS ACQUIRED AT VARIOUS
TIMES INCLUDE: ACLS, ATLS, PALS
MULTIPLE CONFERENCES**

MEMBERSHIPS:

**AMA, TENNESSEE MEDICAL ASSOCIATION
AND CHATTANOOGA & HAMILTON CO.
MEDICAL SOCIETY**

PERSONAL:

**BORN - LOS ANGELES, CALIFORNIA AUGUST
27, 1958, OUTDOOR ENTHUSIAST - ENJOYS
HANG GLIDING, SKIING, PHOTOGRAPHY,
HIKING, LANDSCAPING, TRACTORS,
CLASSICAL MUSIC, ETC.
SINGLE - SEEKS WOMAN WITH MULTIPLE
TALENTS/INTERESTS (DRIVING TRACTOR
OPTIONAL) AND A PROFOUND SENSE OF
HUMOR!**

RECEIVED

MAY 30 2000

TPQVO
Tennessee Physicians Quality
Verification Organization

2012 SEP 25 AM 8:48

ABMS® Board Certification Credentials Profile*A service provided by the American Board of Medical Specialties***New Search | Search Results | Feedback | Save Physician | Print****Tony Dwayne Smith (ABMSUID - 567447)**

Viewed:3/17/2011 12:51:22 PM CST

DOB: 06/25/1965

Status: Alive

Certification**American Board of Family Medicine****Family Medicine - General****Status: Certified**

Active Time-Limited

Recertification

12/02/2005 - 12/31/2012

Expired Time-Limited

Initial Certification

07/11/1997 - 12/31/2004

Education

1994 DO (Doctor of Osteopathy)

Location708 Belvoir Ave
East Ridge, TN 37412-2604 (United States)

200001 • 1000004 • 4000



Notice: It is up to the user to determine if the physician record obtained from this service is that of the physician being sought.

The information as presented by this service is approved for business use and is valid to meet the primary source verification requirements for credentialing as set by JCAHO, NCCA, URAC and other accrediting agencies.

The ABMS physician specialty certification data provided by CertiFACTS On-Line is proprietary and copyrighted by the American Board of Medical Specialties (ABMS®) and subject to the intellectual property laws of the United States. © 2006, ABMS, All Rights Reserved.

The Powered by ABMS Direct Connect and ABMS Official Display Agent logos are registered trademarks of the American Board of Medical Specialties.

PROPERTY OF TEPQVO 03/17/11 KAY

Tony D. Smith, D.O.

Fowler Family Practice
317 Main Street
Fowler, CO 81039

719-263-4980 work; 719-263-4780 home

Employment

2/2002 to Present	Owner of Fowler Family Practice, Fowler, CO
2000 to 1/2002	Trenton Family Practice, Trenton, GA Emergency Care Corporation/Lafayette After Hours Care, Lafayette, GA
1998 to 2000	Private Contract Work at Express Care Family Practice Clinic, Colorado Springs, CO Part time Hospitalist at Penrose St. Francis Medical Center, Colorado Springs, CO
1997 to 2000	Family Practice Clinic, USAF, Peterson AFB, Colorado Springs, CO
July 1997	Private Contract Work at Columbia Quick Care, Chattanooga, TN
1996 to 1997	Private Contract Work at Med-Choice, Kingsport, TN
1994 to 1997	Family Practice Clinic, East Tennessee State University, Kingsport, TN

Education

2/99	Critical Care Airborne Transport Team Training, School of Aerospace Medicine, Brooks AFB, San Antonio, TX
11/98	Combat Casualty Care Course, Ft. Sam Houston, San Antonio, TX
1994 to 1997	Family Medicine Residency, College of Medicine, East TN State University, Kingsport, TN
1990 to 1994	D.O. University of Osteopathic Medicine and Health Sciences, Des Moines, IA *Student Member, AOA *Student Member, TOMA
1984 to 1987	B.A., Pre-Med/Biology, University of TN @ Chattanooga, Chattanooga, TN
1983 to 1984	Pre-Med, Tennessee Temple University, Chattanooga, TN

12/03/2002

11:44

FOWLER FAMILY PRACTICE → 14237782043

NO. CPO

Page A-45

Tony D. Smith, D.O.**Licenses and Certificates**

Board Certified Family Practice (Diplomat American Board of Family Practice)
Currently licensed in Tennessee, Georgia, and Colorado

*BLS *ACLS

Hospital Privileges

Arkansas Valley Regional Medical Center, LaJunta, CO

Memberships

American Osteopathic Association, American Academy of Family Physicians

Personal

Married, 3 children

DOB: June 25, 1965

ABMS® Board Certification Credentials Profile*A service provided by the American Board of Medical Specialties***New Search | Search Results | Feedback | Save Physician | Print****James Bradley Bardoner (ABMSUID - 509459)**

Viewed: 2/21/2011 10:40:40 AM CST

DOB: private

Status: private

Certification**American Board of Emergency Medicine****Emergency Medicine - General****Status: Certified**

Active Time-Limited

Recertification

12/23/2004 - 12/31/2014

Expired Time-Limited

Initial Certification

11/28/1994 - 12/31/2004

Education

Year Unknown MD (Doctor of Medicine)

Location21 Middle Creek Rd
Signal Mountain, TN 37377-2078 (United States)

Notice: It is up to the user to determine if the physician record obtained from this service is that of the physician being sought.

The information as presented by this service is approved for business use and is valid to meet the primary source verification requirements for credentialing as set by JCAHO, NCCA, URAC and other accrediting agencies.

The ABMS physician specialty certification data provided by CertiFACTS On-Line is proprietary and copyrighted by the American Board of Medical Specialties (ABMS®) and subject to the intellectual property laws of the United States. © 2008, ABMS, All Rights Reserved.

The Powered by ABMS Direct Connect and ABMS Official Display Agent logos are registered trademarks of the American Board of Medical Specialties.

RECEIVED 02/21/11 AS

RX Date/Time

02/20/2011

15:10

Page A-47

FROM :

PHONE NO. :

Apr. 26 2004 04:38PM P1

American Board of Emergency MedicineEstablished for the Certification of Emergency Physicians Hereby
Declares that**JAMES BRADLEY BARDONER, M.D.**Has Successfully Fulfilled the Requirements of the Emergency Medicine
Continuous Certification Program and is Certified as a Diplomate of the
American Board of Emergency Medicine

December 23, 2004 — December 31, 2014

President

John B. McCann, MD

Secretary

John Wiggins MD

Certification Number

930671

American Board of
Emergency Medicine

RESUME

Page 1

Page A-48

2012 SEP 25 AM 8:48

PERSONAL

Name: James B. Bardoner Soc. Sec.# 201-38-2668
Birth Date: June 2, 1948 Place of Birth: Pittsburgh, PA
Marital Status: Married No. of Dependents: 4
Residence: 2325 Sunnyknoll
Berkley, MI 48072

EDUCATION

1960-66 Hampton Twp. Jr. Sr. High School Allison Park, PA 15101	Graduated
1967-69 Community College of Allegheny County Pittsburgh, PA	AA Degree Biology
1969-71 Duquesne University Pittsburgh, PA	No Degree
1973-77 University of Miami Coral Gables, FL 33124	BS Degree Chemistry
1980-81 Universidad Nordestana San Francisco de Macoris Republica Dominicana	No Degree
1982-83 Universidad CETEC Santo Domingo Republica Dominicana	MD Degree
1984-85 Internship General Surgery Mt. Carmel Mercy Hospital 6071 W. Outer Drive Detroit, MI 48235	Certificate
1985-86 Internship Internal Medicine Mt. Carmel Mercy Hospital 6071 W. Outer Drive Detroit, MI 48235	Certificate
1986-88 Residency Emergency Medicine Mt. Carmel Mercy Hospital 6071 W. Outer Drive Detroit, MI 48235	

RESUME

page 2

CLINICAL EXTERNSHIPS

Int. Med.	Hospital Seguros Sociales Salvadore Guttier VAMC Miami, FL	Jan-May, 1982 Apr-May, 1983 *
Surgery	Hospital San Vincente de Paul Variety Children's Hospital, Miami, FL Dr. Glenn Morrison (preceptorship)	Aug-Dec, 1981 Jul-Aug, 1982 * June 1983 *
Peds.	Variety Children's Hospital, Miami, FL	May-Jun, 1982
OB/Gyn	Hialeah Hospital, Hialeah, FL St. Frances Hospital, Pgh. PA.	Oct-Nov, 1982 Jul-Aug, 1983
Psych.	VAMC Miami, FL	Dec-Jan, 1983
Rads.	Variety Children's Hospital, Miami, FL	Sept. 1982 *
Path.	VAMC Miami, FL	Mar-Apr, 1983 *
Cardio.	University of Miami School of Medicine	Feb. 1983 *

* Senior Electives

EXAMINATIONS

ECFMG	Jan. 26, 1983	Score: 76	English: Passed
FLEX	Jun. 11-13, 1985	Score: Part I 80 Part II 76	

LICENSURE

State of Florida	Clin. Lab. Supervisor (lapsed) JC 0002672	
State of Michigan	Licensed M.D. Perm I.D. No. 049249	8-1-85

HONORS

Dean's list Spring 1988

Who's Who Among Students in American Junior Colleges 1988-89

RESUME

page 3

ORGANIZATIONAL AND PROFESSIONAL MEMBERSHIPS

YMCA Licensed Scuba Diver

Life Member De Molay

American College of Emergency Physicians (Associate)

HOBBIES

Backpacking, Bicycling, Camping, Swimming, Weight Lifting

EMPLOYMENT

1964	Counselor-Service Training (CST) Camp Kon-O-Kwee Fombell, PA
1965	Counselor Camp Kon-O-Kwee Fombell, PA
1966	Loader Glenshaw Glass Co. Glenshaw, PA
1966	Stocker/Bagboy Riverside Market Meadville, PA
1967-71	Medical Laboratory Technician/Phlebotomist North Hills Passavant Hospital 8100 Babcock Blvd. Pittsburgh, PA 15237.
1969-70	Medical Laboratory Technician Sewickley Valley Hospital Sewickley, PA
1970-71	Medical Laboratory Technician PA Dept. of Health State Office Building Pittsburgh, PA
1971-72	Medical Laboratory Technician Fisherman's Hospital Marathon, FL
1971-72	Commercial Fisherman (puller) Tim Daniels c/o Keys Fisheries Marathon, FL

RESUME

page 4

EMPLOYMENT (con't.)

1972-80 Medical Technologist/Supervisor (full time)
Jackson Memorial Hospital
1600 NW 12 Ave.
Miami, FL

1980-81 Medical Technologist (part time; semester breaks)
Jackson Memorial Hospital

1982-83 Medical Technologist (part time; week-ends)
VAMC
1601 NW 12 Ave.
Miami, FL

1983-88 Residency Training (see Residency)
Mt. Carmel Mercy Hospital
6071 W. Outer Drive
Detroit, MI 48235

ABMS® Board Certification Credentials Profile*A service provided by the American Board of Medical Specialties***New Search | Search Results | Feedback | Save Physician | Print****Robert E. Hamilton III (ABMSUID - 770189)****Viewed:1/7/2011 9:50:01 AM CST**

DOB: private

Status: private

Certification**American Board of Emergency Medicine****Emergency Medicine - General****Status: Certified**

Active

Time-Limited

Initial Certification

11/18/2004 - 12/31/2014

Education

1997 MD (Doctor of Medicine)

Location

Erlanger Main Campus

Department of Emergency Medicine

975 E 3rd St

Chattanooga, TN 37403-2103 (United States)



Notice: It is up to the user to determine if the physician record obtained from this service is that of the physician being sought.

The information as presented by this service is approved for business use and is valid to meet the primary source verification requirements for credentialing as set by JCAHO, NCCA, URAC and other accrediting agencies.

The ABMS physician specialty certification data provided by CertiFACTS On-Line is proprietary and copyrighted by the American Board of Medical Specialties (ABMS®) and subject to the intellectual property laws of the United States. © 2006, ABMS, All Rights Reserved.

The Powered by ABMS Direct Connect and ABMS Official Display Agent logos are registered trademarks of the American Board of Medical Specialties.

RECEIVED 01/07/11 AS

Robert E. Hamilton III, MD

7330 Parkridge Blvd, #40
Irving, Texas 75063
Home Phone (972) 444-0627
Pager (214) 786-0791
E-mail thehams4@msn.com

RECEIVED

DEC 15 2000

TPEVO

OBJECTIVE

Employment as an emergency medicine physician in a community based emergency department.

EDUCATION

Bachelor of Arts, Summa cum laude, 1993
University of Mississippi
University, MS 38677

Doctor of Medicine, 1997
University of Mississippi School of Medicine
2500 North State Street
Jackson, MS 39216

TRAINING

1997-1998 *Resident, Department of General Surgery*
University of Tennessee College of Medicine--Chattanooga Unit
979 East Third Street
Chattanooga, TN 37403

1998-2000 *Resident, Division of Emergency Medicine*
Parkland Hospital
University of Texas Southwestern Medical Center
5323 Harry Hines Blvd.
Dallas, TX 75390-8579

EMPLOYMENT HISTORY

1999-2000 *Physician, MedCare Now, Primary Health, Inc., Bedford, TX*
Urgent care clinics throughout Fort Worth area as sole physician coverage for eight to fourteen hour shifts.

2000 *Physician, Baylor Medical Center--Waxahachie, Waxahachie, TX*
Emergency department fast track physician during peak hours for twelve hour shifts.
Position provided through staffing by EmCare, Inc.

RECEIVED

DEC 15 2000

TPEVO

2012 SEP 25

2000 Physician, Physicians Emergency Care Associates (PECA) - *Charbonnet Methodist Hospital, Dallas, TX*

Emergency department physician with supervision of physician assistants and nurse practitioners.

LICENSES

- Texas, K8194, Expires Nov 30, 2000
- Mississippi, 16240, Expired June 30, 2000
- DEA, TX, BH6413087, Expires Oct 2002
- DPS, TX, 60111707, Expires April 2001

CERTIFICATIONS

- Basic Life Support, Expires June 2002
- Advanced Cardiac Life Support, Expires Oct 2002
- Advanced Trauma Life Support, Expires June 2001
- Pediatric Advanced Life Support, Expires Sept 2001

PROFESSIONAL MEMBERSHIPS

- American College of Emergency Physicians
- Texas College of Emergency Physicians
- Emergency Medicine Residents' Association
- American Medical Association

SUPPLEMENTAL

#2

**Supplemental Responses To Questions Of The
Tennessee Health Services & Development Agency**

- 1.) Section C, Need, Item 6.
(Applicant's Historical And Projected
Utilization)

- D.) Please provide definitions of each of the five
Levels of Acuity upon which the CPT codes are
differentiated.

This is a standard question which has been asked to all applications involving Emergency Department and satellite Emergency Departments. The Agency members appreciate the applicant clarifying the levels of service and charges rendered to patients receiving care in their Emergency Departments. Other applicants have been able to adequately define these five levels of care through a brief one to two sentence description of each which differentiates the various levels of service. Please provide definitions of each of the five Levels of Acuity upon which the CPT codes are differentiated.

Response

Definitions of the different levels of care are very extensive. However, to provide context for the types of care, a list of activities which describe the five (5) different levels of ED care is attached to this supplemental information. This list was obtained from the American College Of Emergency Physicians ("ACEP").

- 2.) Section C, Economic Feasibility, Item 1
(Project Cost Chart)

The submitted Project Cost Chart requires further clarification.

- A.) On line A.5., the applicant reflects \$19,465 for construction costs. In leased facility arrangements, these types of costs are normally borne by the landlord. Please clarify that these costs are being borne by the applicant, Erlanger

Bledsoe Hospital or its parent, Erlanger Health System.

Response

Yes, the construction costs are being borne by the applicant because the lease cost is only \$ 1 per year.

B.) On line A.8. - Moveable Equipment, the applicant lists \$ 129,048. If these costs are being listed on the correct line, what types of equipment are being acquired since the landlord is also providing medical equipment through a \$500,000 grant ?

Response

A list of the equipment which applicant anticipates purchasing appears below.

<u>Equipment</u>	<u>Manufacturer</u>	<u>Model</u>	<u>Capital Cost</u>
<u>Erlanger Bledsoe -- Equipment to Purchase</u>			
Defibrillator	PhysioControl	LifePak 20e	\$8,700
Physiological Monitor #1			\$1,000
Physiological Monitor #2			\$1,000
Stand Alone ETCO2	Capnograph	Capnograph II	\$2,350
Vital Signs Monitor	GE	ProCare 100	\$1,000
Vital Signs Monitor	GE	ProCare 100	\$1,000
Infusion Pump Single	Hospira	Plum A+	\$4,000
Infusion Pump Single	Hospira	Plum A+	\$4,000
EKG Machine	GE	MAC5000	\$17,500
Patient Warmer/Cooler	Cincinnati SubZero	233	\$9,500
Slit Lamp	Topcon	SL2E	\$7,500
	<i>Erlanger - Equipment</i>		\$57,550
	<i>Erlanger - Maintenance</i>		\$5,953
	<i>Erlanger - Total</i>		\$63,503

C.) On line A.9. - Other, the applicant has entered "Technical, Signage, Environmental, etc.", but no dollar value. Has there been an error in entering the costs for these items on line A.8 ? Or should there be an additional cost value entered on this line ?

Response

The explanation of "Technical, Signage, Environmental, etc.", was an error and has been deleted.

D.) On page 14 of the application, the applicant indicates that Sequatchie County has secured a grant (letters documenting the grants are included in the application) to purchase \$500,000 in medical equipment that will be included in the \$1/year lease over a 10 year period.

1.) Please discuss the type of medical equipment planned for purchase through this grant.

Response

A list of the equipment which applicant anticipates purchasing with the grants, appears below.

Monitoring Equipment - Telemetry, blood pressure, heart rate, etc.

EMS Connectivity - Communication Equipment

IT Connectivity - Systems & Hardware

Decontamination Unit

Security System

Crash carts, glucose meters, wall & portable suction equipment

Imaging System Connectivity (PACS)

Kronos Clock and Installation

2.) The HSDA Medical Equipment Registry indicates the North Valley Medical Plaza had a CT scanner. Does the applicant intend to install a CT scanner as part of the proposed new satellite ED ?

Response

Yes, a CT scanner is planned and will be covered by an operating lease.

3.) The lease arrangement costs for the medical equipment should be reflected in Section B - Line B4 of the Project Cost Chart.

Response

2012 SEP 28 AM 9:16

The remaining medical equipment will be a Digital Rad Room X-Ray, Injector and ultrasound. This equipment will be secured through an operating leases.

- 4.) The following definition regarding major medical equipment cost in Tennessee Health Services and Development Agency Rule 0720-9-.01 (13) (d) states " If the acquisition is by lease, the cost is either the fair market value of the equipment, or the total amount of the lease payments, whichever is greater."
- 5.) The following definition regarding major medical equipment cost in Tennessee Health Services and Development Agency Rule 0720-9-.01 (13) (b) states "The cost of major medical equipment includes all costs, expenditures, charges, fees, and assessments which are reasonably necessary to put the equipment into use for the purposes for which the equipment was intended. Such costs specifically include, but are not necessarily limited to the following:
 - a.) maintenance agreements, covering the expected useful life of the equipment;
 - b.) federal, state, and local taxes and other government assessments and
 - c.) installation charges, excluding capital expenditures for physical plant renovation or in-wall shielding."
- E.) The applicant intends to lease the facility for \$1/yr lease over a 10 year period. These lease arrangement costs should be reflected in Section B-Line B2 of the Project Cost Chart.

Response

The building lease cost of \$ 1 per year for ten (10) years has been reflected on Line B-2 of the *Project Cost Chart*.

- F.) The following definition regarding leased property cost in Tennessee Health Services and Development Agency Rule 0720-9-.01 (c) states "In calculating the value of a lease, the "cost" is the fair market value of the leased item or the total amount of the lease payment, whichever is greater." Please provide documentation of the fair market value of the premises leased and the calculation of the total amount of the lease payment over the 10 year period.**

Please identify these costs on the Project Cost Chart and submit a revised Project Cost Chart using the greater of the leased space's fair market value (FMV) or the sum of the lease payments over the term of the lease.

Response

Without Erlanger Bledsoe Hospital operating a satellite ED in the specified location, the leased space would have no value. Therefore, we have entered the amount of \$ 10 on Line B-2 of the *Project Cost Chart* for the ten (10) year lease period. A revised *Project Cost Chart* is attached to this supplemental information.

- G.) Please submit a revised Project Cost Chart reflecting the above changes.**

Response

A revised *Project Cost Chart* is attached to this supplemental information.

- 3.) Section C, Economic Feasibility, Item 4 - (Projected Data Chart), and Item 8 (Viability)**

Your response is noted. Please provide the following information.

- A.) The amount of Other Expenses (\$515,150 in year 1 and \$558,841 in year 2) is quite significant in proportion to the proposed project's operating expenses (\$2,353,351 in yr. 1 and \$2,466,037 in yr. 2). Please provide further detail.

PROJECTED DATA CHART-OTHER EXPENSES

<u>OTHER EXPENSES CATEGORIES</u>		Year <u>1</u>	Year <u>2</u>
1.	Purchased Services	\$159,185	\$176,232
2.	Drugs	20,000	22,166
3.	Purchased Maintenance	24,000	27,335
4.	Unscheduled Maintenance	27,300	28,335
5.	Utilities	64,745	71,891
6.	Marketing / Education	15,000	16,325
7.	Licenses & Fees	19,005	10,370
8.	Miscellaneous	194,915	206,430
Total Other Expenses		\$515,150	\$558,441

Your response is noted. The amounts for "Purchased Services" and "Miscellaneous" represents quite a significant proportion to the proposed project's Other Operating Expenses. Please provide further breakdowns of both "Other Expenses - Purchased Services and Miscellaneous" categories.

Response

The detail for the two (2) expense line items requested, appears below.

	<u>Year 1</u>	<u>Year 2</u>
<u>Purchased Services</u>		
Time & Material Contracts	26,516	29,357
Dietary	30,678	33,963
Purchased Services	35,148	38,912
Freight Charges	924	1,022
Contracted Services	63,229	70,000
Membership & Dues	1,148	1,271
Professional Education	704	779
Local Travel	839	929
Total Purchased Service	<u>159,185</u>	<u>176,232</u>
<u>Miscellaneous</u>		
Insurance	3,813	4,038
Support Services (Legal, Compliance, Billing, etc.)	191,102	202,391
	<u>194,915</u>	<u>206,430</u>

- B.) The annual Net Operating Loss for the proposed project is -\$575,068 in year 1 and -\$572,635 in year 2. In Item C.8, the applicant indicates "CMS has approved the Erlanger Bledsoe Hospital-Satellite ED as a cost based unit of Erlanger Bledsoe Hospital. With reimbursement tied to cost, sustainability is assured." Please explain how sustainability is assured with annual Net Operating Loss for the proposed project is -\$575,068 in year 1 and -\$572,635 in year 2.

The applicant's response indicates the satellite ED will be a department of Erlanger Bledsoe and "the revenue on the Projected Data Chart does not include other revenue from I/P admissions referred from the satellite ED."

- 1.) Please provide a Projected Data Chart for the entire Erlanger Bledsoe Hospital.

Response

The Projected Data Chart for the satellite ED, including downstream revenue, is attached to this supplemental information.

- 2.) What portion of the 5,000 satellite ED visits does the applicant anticipate will

result in an inpatient admission ? What portion (in numbers) of those admissions will go to Erlanger Bledsoe and what portion (in numbers) will be admitted to Erlanger's main campus in Chattanooga ?

Response

We conservatively estimate that the inpatient admissions will total 309, or an inpatient admission rate of 6.2%. Of this, we anticipate that 100 will be admitted to *Erlanger Bledsoe Hospital* and 209 will be admitted to *Erlanger Medical Center*.

A F F I D A V I T

2012 SEP 28 AM 9:16

STATE OF TENNESSEE

COUNTY OF HAMILTONNAME OF FACILITY Erlanger Bledsoe Hospital

I, Joseph M. Winick, after first being duly sworn,
State under oath that I am the applicant named in this
Certificate of Need application or the lawful agent
thereof, that I have reviewed all of the supplemental
information submitted herewith, and that it is true,
accurate, and complete.


SIGNATURE

SWORN to and subscribed before me this 27 of
September, 2012, a Notary Public in and for the
Month Year

State of Tennessee, County of Hamilton.


NOTARY PUBLIC

My commission expires May 27, 2013.
(Month / Day)

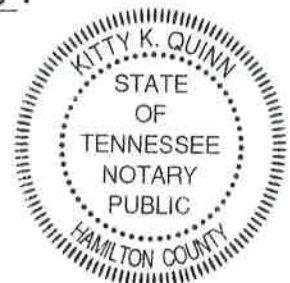


TABLE OF ATTACHMENTS

** NOTE - The attachments are paginated and the page number begins with "A". The page number appears in the upper right hand corner of the page.

<u>Description</u>	<u>Page No.</u>
ED Service Levels	A-1
Project Cost Chart	A-3
Projected Data Chart	A-4

ATTACHMENTS

ED Service Activities

ED Level I	<p>Initial Assessment</p> <p>No medication or treatments</p> <p>Rx refill only, asymptomatic</p> <p>Note for Work or School</p> <p>Wound recheck</p> <p>Booster or follow up immunization, no acute injury</p> <p>Dressing changes (uncomplicated)</p> <p>Suture removal (uncomplicated)</p> <p>Discussion of Discharge</p> <p>Instructions (Straightforward)</p>
ED Level II	<p>Could include interventions from previous levels, plus any of:</p> <p>Tests by ED Staff (Urine dip, stool hemocult, Accucheck or Dextrostix)</p> <p>Visual Acuity (Snellen)</p> <p>Obtain clean catch urine</p> <p>Apply ace wrap or sling</p> <p>Prep or assist w/ procedures such as: minor laceration repair, l&D of simple abscess, etc.</p> <p>Discussion of Discharge Instructions (Simple)</p>
ED Level III	<p>Could include interventions from previous levels, plus any of:</p> <p>Receipt of EMS/Ambulance patient</p> <p>Heparin/saline lock</p> <p>(1) Nebulizer treatment</p> <p>Preparation for lab tests described in CPT (80048-87999 codes)Preparation for EKG</p> <p>Preparation for plain X-rays of only 1 area (hand, shoulder, pelvis, etc.)</p> <p>Prescription medications administered PO</p> <p>Foley catheters; In & Out cath</p> <p>C-Spine precautions</p> <p>Fluorescein stain</p> <p>Emesis/ Incontinence care</p> <p>Prep or assist w/procedures such as: joint aspiration/injection, simple fracture care etc.</p> <p>Mental Health-anxious, simple treatment</p> <p>Routine psych medical clearance</p> <p>Limited social worker intervention</p> <p>Post mortem care</p> <p>Direct Admit via ED</p> <p>Discussion of Discharge Instructions (Moderate Complexity)</p>

ED Service Activities**ED Level IV**

Could include interventions from previous levels, plus any of:
 Preparation for 2 diagnostic tests: (Labs, EKG, X-ray)
 Prep for plain X-ray (multiple body areas):
 C-spine & foot, shoulder & pelvis
 Prep for special imaging study (CT, MRI, Ultrasound, VQ scans)
 Cardiac Monitoring (2) Nebulizer treatments
 Port-a-cath venous access Administration and Monitoring of infusions or parenteral medications (IV, IM, IO, SC) NG/PEG
 Tube Placement/Replacement Multiple reassessments
 Prep or assist w/procedures such as: eye irrigation with Morgan lens, bladder irrigation with 3-way foley, pelvic exam, etc.
 Sexual Assault Exam w/ out specimen collection Psychotic patient; not suicidal
 Discussion of Discharge Instructions (Complex)

ED Level V

Could include interventions from previous levels, plus any of:
 Requires frequent monitoring of multiple vital signs (ie. O2 sat, BP, cardiac rhythm, respiratory rate)
 Preparation for ≥ 3 diagnostic tests: (Labs, EKG, X-ray)
 Prep for special imaging study (CT, MRI, Ultrasound, VQ scan) combined with multiple tests or parenteral medication or oral or IV contrast.
 Administration of Blood Transfusion/Blood Products Oxygen via face mask or NRB Multiple Nebulizer Treatments: (3) or more (if nebulizer is continuous, each 20 minute period is considered treatment)
 Moderate Sedation
 Prep or assist with procedures such as: central line insertion, gastric lavage, LP, paracentesis, etc.
 Cooling or heating blanket
 Extended Social Worker intervention
 Sexual Assault Exam w/ specimen collection by ED staff
 Coordination of hospital admission/ transfer or change in living situation or site
 Physical/Chemical Restraints;
 Suicide Watch
 Critical Care less than 30 minutes

SUPPLEMENTAL

#3

Supplemental Responses To Questions Of The
Tennessee Health Services & Development Agency

1.) Section C, Economic Feasibility, Item 1
(Project Cost Chart)

Items acquired through Gift, Donation or Lease should be listed in Section B of the *Project Cost Chart* in accordance with Agency Rules.

A.) On page 14 of the application, the applicant indicates that Sequatchie County has secured a grant (letters documenting the grants are included in the application) to purchase \$500,000 in medical equipment that will be included in the \$1/year lease over a 10 year period.

1.) Since the equipment is being acquired by the applicant through a the \$1/year lease with Sequatchie County its fair market value still needs to be reflected on the *Project Cost Chart* in Section B on Line B 4.

2.) The applicant indicates it will lease a CT scanner; its cost of acquisition for the project also needs to be reflected in Section B - Line B4.

a.) The following definition regarding major medical equipment cost in *Tennessee Health Services & Development Agency Rule 0720-9-.01 (13) (d)* states "If the acquisition is by lease, the cost is either the fair market value of the equipment, or the total amount of the lease payments, whichever is greater."

b.) The following definition regarding major medical equipment cost in *Tennessee Health Services & Development Agency Rule 0720-9-.01(13) (b)* states "The cost of major medical equipment includes all costs, expenditures, charges, fees, and assessments which are reasonably necessary to put the equipment into use for the purposes for which the equipment was intended. Such costs specifically include, but are not

necessarily limited to the following:

- 1.) maintenance agreements, covering the expected useful life of the equipment;
- 2.) federal, state, and local taxes and other government assessments, and;
- 3.) installation charges, excluding capital expenditures for physical plant renovation or in-wall shielding."

B.) The applicant intends to lease the facility for \$1/yr lease over a 10 year period. These lease arrangement costs should be reflected in Section B-Line B-2 of the *Project Cost Chart*.

- 1.) The following definition regarding leased property cost in Tennessee Health Services & Development Agency Rule 0720-9-.01(c) states "In calculating the value of a lease, the "cost" is the fair market value of the leased item or the total amount of the lease payment, whichever is greater." Please provide documentation of the fair market value of the premises leased and the calculation of the total amount of the lease payment over the 10 year period.
- 2.) Please identify these costs on the *Project Cost Chart* and submit a revised *Project Cost Chart* using the greater of the leased space's fair market value (FMV) or the sum of the lease payments over the term of the lease.

C.) The responses to the questions and the submitted *Project Cost Chart* do not reflect proper application of the Agency's Rules in completing the *Project Cost Chart*. Please submit a revised *Project Cost Chart* reflecting the above changes.

Response

The book value of the building as per Sequatchie County is \$ 767,490. This yields a value per SF of \$ 50.14 as there is a total of 15,307 SF in the building. Erlanger Bledsoe Hospital will occupy approximately 10,650 SF, therefore, the value attributable to this project is \$

533,991 (10,650 SF * \$ 50.14). A copy of a letter from the Sequatchie County Executive is attached to this supplemental information.

The CT scanner lease and remainder of the equipment to be purchased with the grants from Sequatchie County are valued at \$ 1,129,776. This includes lease payments for the first five (5) years, the cost to install the equipment and maintenance cost for the first five (5) years of operation.

The revised *Project Cost Chart* is attached to this supplemental information. A check for the difference in the CON application fee of \$ 1,077 is enclosed with this supplemental information.

2.) Section C, Economic Feasibility, Item 4
(Projected Data Chart)

The annual Net Operating Loss for the proposed project is -\$575,068 in year 1 and -\$572,635 in year 2. In Item C.8, the applicant indicates "CMS has approved the *Erlanger Bledsoe Hospital-Satellite ED* as a cost based unit of *Erlanger Bledsoe Hospital*. With reimbursement tied to cost, sustainability is assured." Please explain how sustainability is assured with annual Net Operating Loss for the proposed project is -\$575,068 in year 1 and -\$572,635 in year 2.

The applicant's response indicates the satellite ED will be a department of Erlanger Bledsoe and "the revenue on the *Projected Data Chart* does not include other revenue from I/P admissions referred from the satellite ED."

- A.) The applicant has provided a *Projected Data Chart* for the entire *Erlanger Bledsoe Hospital*, which shows a "breakeven" operating statement for *Erlanger Bledsoe Hospital*.
- B.) Through the applicant's response to another question regarding projected Inpatient Admissions to *Erlanger Bledsoe* and *Erlanger Chattanooga* and a phone conversation with the applicant it was disclosed that the *Projected Data Chart* submitted attributed all of the I/P admissions and their

Revenue to *Erlanger Bledsoe* when 2/3 of the I/P Admissions were to *Erlanger Chattanooga*. Please submit a revised *Projected Data Chart* reflecting I/P Admissions Revenue for I/P Admissions only to *Erlanger Bledsoe*.

- C.) Should the resulting *Projected Data Chart* show an operating deficit, please explain how the applicant intends to fund the operating deficit.

Response

To clarify, the *Projected Data Chart* attached to the second supplement was for the satellite ED and all downstream revenue at both *Erlanger Bledsoe Hospital* and *Erlanger Medical Center* in Chattanooga, Tennessee. A *Projected Data Chart* for *Erlanger Bledsoe Hospital* alone, inclusive of the satellite ED, is attached to this supplemental information.

While the *Projected Data Chart* for *Erlanger Bledsoe Hospital* shows an operating deficit, please recall that approximately \$ 575,000 of this represents the satellite ED. We have shown that the satellite ED will be a break even project with all of the downstream revenue. Further, *Erlanger Bledsoe Hospital* is a member facility of *Erlanger Health System*, therefore, the remainder of the operating deficit will be offset by *Erlanger Health System*.

3.) Section C, Economic Feasibility, Item 4 (Projected Data Chart)

Your response is noted for *Erlanger Bledsoe's Projected Data Chart*. The amount of Other Expenses (\$2,277,066 in year 1 and \$2,478,994 in year 2) is quite a significant in proportion to the applicant facility's operating expenses (\$3,573,503 in yr. 1 and \$3,839,066 in yr. 2). Please provide further detail.

PROJECTED DATA CHART-OTHER EXPENSES

OTHER EXPENSES CATEGORIES

Year 1 Year 2

- 1.
- 2.
- 3.
- 4.

5.
6.
7.

2012 OCT 5 AM 10 22

Total Other Expenses

\$ \$

Response

To clarify, the *Projected Data Chart* attached to the second supplement was for the satellite ED and all downstream revenue at both *Erlanger Bledsoe Hospital* and *Erlanger Medical Center* in Chattanooga, Tennessee. Due to this question in the third supplement, upon further review it appears that there was an error with the expenses associated with the *Projected Data Chart* attached to the second supplement.

A revised *Projected Data Chart* is attached to this supplemental information for the satellite ED and all downstream revenue at both *Erlanger Bledsoe Hospital* and *Erlanger Medical Center* in Chattanooga, Tennessee.

Detail for other expenses in the *Projected Data Chart* attached to this supplemental information appears below.

Other Expenses -- For Erlanger Bledsoe Hospital w/ Satellite ED

	<u>Year 1</u>	<u>Year 2</u>
<u>Other Expenses</u>		
Purchased Services	1,632,225	1,726,139
Drugs	266,405	281,733
Purchased Maintenance	46,749	49,439
Unscheduled Maintenance	40,343	42,665
Utilities	217,260	229,760
Marketing / Education	15,000	16,325
License & Fees	10,838	11,462
Miscellaneous	628,384	664,075
<i>Total</i>	<u>2,857,204</u>	<u>3,021,598</u>

<u>Purchased Services</u>		
Time & Material Contracts	183,835	194,411
Dietary	338,680	358,167
Purchased Services	249,449	263,802
Freight Charges	9,340	9,877
Contracted Services	806,098	852,479
Membership & Dues	18,065	19,105
Professional Education	9,373	9,912
Local Travel	17,385	18,386
<i>Total - Purchased Services</i>	<u>1,632,225</u>	<u>1,726,139</u>

<u>Miscellaneous</u>		
Insurance	31,808	33,638
Support Services (Legal, Compliance, Billing, etc.)	596,576	630,437
<i>Total - Miscellaneous</i>	<u>628,384</u>	<u>664,075</u>

Other Expenses -- For Satellite ED w/ Downstream Revenue

2012 OCT 5 AM 10 22

	Year 1	Year 2
<u>Other Expenses</u>		
Purchased Services	249,354	295,307
Drugs	31,329	37,143
Purchased Maintenance	37,595	45,805
Unscheduled Maintenance	42,764	47,073
Utilities	101,419	120,466
Marketing / Education	23,497	27,355
License & Fees	15,672	17,378
Miscellaneous	305,323	345,909
Total	806,953	936,436

<u>Purchased Services</u>		
Time & Material Contracts	41,536	49,193
Dietary	48,055	56,911
Purchased Services	55,057	65,203
Freight Charges	1,447	1,713
Contracted Services	99,044	117,297
Membership & Dues	1,798	2,130
Professional Education	1,102	1,305
Local Travel	1,315	1,555
Total - Purchased Services	249,354	295,307

<u>Miscellaneous</u>		
Insurance	5,973	6,767
Support Services (Legal, Compliance, Billing, etc.)	299,350	339,142
Total - Miscellaneous	305,323	345,909

4.) Section C, Economic Feasibility, Item 4 (Projected Data Chart)

Please provide the Third Party Payor Mix for
Erlanger Bledsoe Hospital.

Payor Class	Revenue	% - Total Gross Revenue
MEDICARE	\$	
TennCare / MEDICAID	\$	
Managed Care / Commercial Insurance	\$	
Other Third Party Payors	\$	
Self Pay	\$	
Total	\$	

Response

The payor mix for FY 2012 for *Erlanger Bledsoe Hospital*, appears below.

<u>Payor Class</u>	<u>Revenue</u>	<u>% Of Gross Revenue</u>
Blue Cross	2,063,631	10.1%
Commercial	449,504	2.2%
HMO / Managed Care	1,042,031	5.1%
PPO	1,062,463	5.2%
MEDICARE	8,193,228	40.1%
TennCare / Medicaid	4,821,949	23.6%
Self Pay	2,308,815	11.3%
Other	490,368	2.4%
<i>Total</i>	20,431,989	100.0%

A F F I D A V I T

2012 OCT 5 AM 10 22

STATE OF TENNESSEE

COUNTY OF HAMILTONNAME OF FACILITY Erlanger Bledsoe Hospital

I, Joseph M. Winick, after first being duly sworn,
State under oath that I am the applicant named in this
Certificate of Need application or the lawful agent
thereof, that I have reviewed all of the supplemental
information submitted herewith, and that it is true,
accurate, and complete.

Joseph M. Winick
SIGNATURE

SWORN to and subscribed before me this 3 of
October, 20 12, a Notary Public in and for the
Month Year

State of Tennessee, County of Hamilton.

Kitty K. Quinn
NOTARY PUBLIC

My commission expires May 27, 20 13.
(Month / Day)



TABLE OF ATTACHMENTS

** NOTE - The attachments are paginated and the page number begins with "A". The page number appears in the upper right hand corner of the page.

<u>Description</u>	<u>Page No.</u>
Project Cost Chart	A-1
Projected Data Chart	A-2
Projected Data Chart	A-3
Letter - Sequatchie County Executive	A-4

ATTACHMENTS

22 Cherry Street East
P.O. Box 595
Dunlap, Tennessee 37327



2012 OCT 5 AM 10 22
D. Keith Cartwright

Sequatchie County Executive

SUPPLEMENTAL- #4

Page A-4
October 4, 2012

Phone: (423) 949-3479

Fax: (423) 949-2579

seqexec@bledsoe.net

October 3, 2012

Erlanger
ATT: Joe Winick, Sr. VP
975 E. Third Street
Chattanooga, TN 37403

Re: Book Value of North Valley Medical Building

Dear Mr. Winick:

In regards to the above captioned, the book value of the building at 16931 Rankin Ave.
Dunlap, TN is \$767,489.80 as of 6-30-2012.

If you have any questions, please call me at 423-949-3479.

Thank You.



D. Keith Cartwright

SUPPLEMENTAL

#4

2012 OCT 12 AM 10: 17

SUPPLEMENTAL INFORMATION (No. 4)

Chattanooga-Hamilton County Hospital Authority

D / B / A

Erlanger Bledsoe Hospital

Application To Establish A
Satellite Emergency Department

Application Number CN1209-044

October 12, 2012

**ERLANGER HEALTH SYSTEM
Chattanooga, Tennessee**

**Supplemental Responses To Questions Of The
Tennessee Health Services & Development Agency**

- 1.) Section C, Economic Feasibility, Item 4
(Projected Data Chart) and
Section C, Economic Feasibility, Item 10

In your response to the second question of the previous request for supplemental information, the applicant responded "We have shown that the satellite ED will be a break even project with all of the downstream revenue. Further, *Erlanger Bledsoe Hospital* is a member facility of *Erlanger Health System*, therefore, the remainder of the operating deficit will be offset by *Erlanger Health System*. The applicant has provided the Financial Statements for *Erlanger Health System* for the period ending June 30, 2011. Please provide updated Financial Statements for *Erlanger Health System* for the period ending June 30, 2012.

Response

The financial statements for *Erlanger Health System* are attached, for FY 2012.

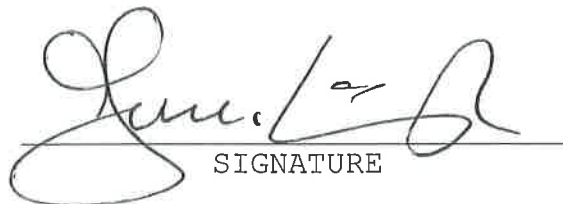
A F F I D A V I T

STATE OF TENNESSEE

2012 OCT 12 AM 10:17

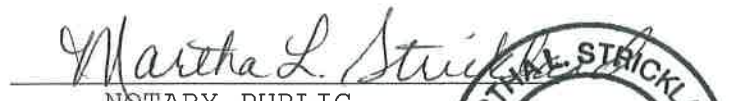
COUNTY OF HAMILTONNAME OF FACILITY Erlanger Bledsoe Hospital

I, Joseph M. Winick, after first being duly sworn,
 State under oath that I am the applicant named in this
 Certificate of Need application or the lawful agent
 thereof, that I have reviewed all of the supplemental
 information submitted herewith, and that it is true,
 accurate, and complete.


 SIGNATURE

SWORN to and subscribed before me this 10th of
October, 2012, a Notary Public in and for the
 Month Year

State of Tennessee, County of Hamilton.


 NOTARY PUBLIC

My commission expires November 21, 2012.
 (Month / Day)



TABLE OF ATTACHMENTS

** NOTE - The attachments are paginated and the page number begins with "A". The page number appears in the upper right hand corner of the page.

DescriptionPage No.

Erlanger Health System - FY 2012
Financial Statements

A-1

ATTACHMENTS



Consolidated Interim Financial Statements

June 30, 2012

This financial report is confidential and proprietary information. This document is not a public record until finalized and released by the chief financial officer. The embargo date for the information contained herein is September 24, 2012 at 5P.M. EST. No part of the information contained herein may be released or discussed publicly until this date.

ERLANGER HEALTH SYSTEM
Unaudited Consolidated Balance Sheets as of: June 30, 2012

ASSETS	2012	2011
<u>UNRESTRICTED FUND</u>		
CURRENT:		
Cash and temporary investments	\$ 45,572,109	\$ 56,435,634
Funds held by trustee - current portion	33,250	28,775
Patient accounts receivable	299,476,832	310,212,539
Less allowances for patient A/R	(220,510,341)	(228,289,847)
Net patient accounts receivable	<u>78,966,494</u>	<u>81,922,692</u>
Other receivables	20,628,217	10,159,659
Due from third party payors	-	8,086,255
Inventories	12,721,972	12,465,028
Prepaid expenses	<u>5,439,631</u>	<u>5,981,313</u>
Total current assets	<u>163,361,675</u>	<u>175,079,356</u>
PROPERTY, PLANT, AND EQUIPMENT		
Net property, plant and equipment	<u>162,634,251</u>	<u>164,781,673</u>
LONG-TERM INVESTMENTS	<u>262,396</u>	<u>22,606,604</u>
OTHER ASSETS:		
Assets whose use is limited	138,419,178	139,905,215
Deferred debt issue cost	6,458,443	7,096,163
Other assets	<u>17,042,159</u>	<u>1,830,918</u>
Total other assets	<u>161,919,779</u>	<u>148,832,297</u>
TOTAL	\$ <u>488,178,101</u>	\$ <u>511,299,929</u>
LIABILITIES	2012	2011
<u>UNRESTRICTED FUND</u>		
CURRENT:		
Current maturities of long term debt	\$ 7,929,701	\$ 7,305,854
Accounts payable	38,882,541	40,657,450
Accrued salaries & related liabilities	20,144,763	29,127,697
Due to third party payors	474,522	93,625
Construction fund payable	-	118,715
Accrued interest payable	<u>2,088,573</u>	<u>2,234,359</u>
Total current liabilities	<u>69,520,100</u>	<u>79,537,700</u>
POST RETIREMENT BENEFITS	<u>12,695,636</u>	<u>12,011,946</u>
(GASB 45 & FAS 112)		
RESERVE FOR OTHER LIABILITIES	<u>28,701,609</u>	<u>24,205,545</u>
LONG - TERM DEBT	<u>177,310,823</u>	<u>178,429,840</u>
FUND BALANCE:		
Unrestricted	193,345,491	207,817,418
Invested in capital assets, net of related debt	4,402,656	6,879,339
Restricted	<u>2,201,786</u>	<u>2,418,141</u>
	<u>199,949,933</u>	<u>217,114,898</u>
TOTAL	\$ <u>488,178,101</u>	\$ <u>511,299,929</u>

Erlanger Health System
Unaudited Consolidated Statement of Operations
For the periods ended June 30, 2012 and 2011

2012 OCT 12 AM 10:17

	Year to Date		
	Actual	Budget	Prior Year
Net patient service revenue	\$ 525,839,735	\$ 563,128,919	\$ 518,478,583
Other revenue(expense)	37,187,604	16,894,141	34,980,484
Net operating revenue	<u>563,027,339</u>	<u>580,023,060</u>	<u>553,459,067</u>
Expenses			
Salaries and employee benefits	312,998,290	307,095,652	301,787,472
Supplies	79,185,467	78,671,078	76,612,829
Purchased services	106,185,485	103,063,188	93,886,928
Utilities	9,757,309	9,682,027	9,557,545
Drugs	32,551,755	34,942,121	36,189,380
Depreciation	26,569,378	28,869,054	25,799,613
Insurance & taxes	5,181,138	5,136,666	4,270,507
Total operating expense	<u>572,578,665</u>	<u>567,459,786</u>	<u>548,104,274</u>
Excess rev. over/(under) exp. from operations	(9,551,326)	12,563,274	5,354,793
NONOPERATING INCOME:			
Gain (Losses) on disposal of assets	1,798,466	(218,480)	16,165
Interest Income/Gains (Losses) on Investments	2,491,524	3,008,067	2,809,395
Interest expense	(10,232,817)	(9,958,909)	(10,347,749)
Mark to market on swaps	(1,080,176)	-	1,600,620
Provisions for income tax	(160,547)	(329,310)	(332,251)
Excess rev. over/(under) expenses	\$ <u>(16,734,876)</u>	\$ <u>5,064,642</u>	\$ <u>(899,028)</u>
Operating Margin	-1.70%	2.17%	0.97%
Total Margin	-2.78%	0.87%	-0.45%

**LETTER OF INTENT
TENNESSEE HEALTH SERVICES & DEVELOPMENT AGENCY**

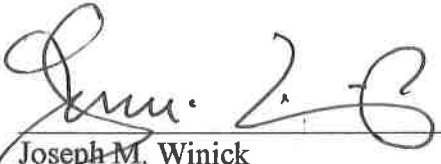
The Publication of Intent is to be published in the Chattanooga Times Free Press, which is a newspaper of general circulation in Hamilton County, Tennessee, on or before July 10, 2012, for one day.

This is to provide official notice to the Health Services & Development Agency and all interested parties, in accordance with T.C.A. §68-11-1601 *et. seq.*, and the Rules of the Health Services & Development Agency, that Erlanger Bledsoe Hospital, owned by the Chattanooga-Hamilton County Hospital Authority D/B/A Erlanger Health System, with an ownership type of governmental, and to be managed by itself, intends to file an application for a Certificate of Need for initiation of service and operation of a satellite Emergency Department. No other health care services will be initiated or discontinued.

The facility and equipment will be located at 16931 Rankin Avenue, Dunlap, Sequatchie County, Tennessee 37327. The total project cost is estimated to be \$ 151,513.00.

The anticipated date of filing the application is September 11, 2012.

The contact person for this project is Joseph M. Winick, Sr. Vice President, Erlanger Health System, 975 East 3rd Street, Chattanooga, Tennessee 37403, and by phone at (423) 778-3211.


Joseph M. Winick

Sept. 6, 2012
Date:

Joseph.Winick@erlanger.org
E-Mail:

The Letter Of Intent must be filed in triplicate and received between the first and the tenth day of the month. If the last day for filing is a Saturday, Sunday or State Holiday, filing must occur on the preceding business day. File this form at the following address:

**Health Services & Development Agency
Andrew Jackson Building
500 Deaderick Street, Suite 850
Nashville, Tennessee 37243**

The published Letter Of Intent must contain the following statement pursuant to T.C.A. §68-11-1607(c)(1): (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

**CERTIFICATE OF NEED
REVIEWED BY THE DEPARTMENT OF HEALTH
DIVISION OF HEALTH STATISTICS
615-741-1954**

DATE: November 30, 2012

APPLICANT: Chattanooga-Hamilton County Hospital Authority
d/b/a Erlanger Bledsoe Hospital
16931 Rankin Avenue
Dunlap, Tennessee 37327

CON# CN 1209-044

CONTACT PERSON: Joseph M. Winick, Senior
President, Planning and Business Development
Erlanger Health System
975 East 3rd Street
Chattanooga, Tennessee 37403

COST: \$1,816,347

In accordance with Section 68-11-1608(a) of the Tennessee Health Services and Planning Act of 2002, the Tennessee Department of Health, Division of Health Statistics, reviewed this certificate of need application for financial impact, TennCare participation, compliance with *Tennessee's Health: Guidelines for Growth, 2000 Edition*, and verified certain data. Additional clarification or comment relative to the application is provided, as applicable, under the heading "Note to Agency Members."

SUMMARY:

The applicant, Chattanooga-Hamilton County Hospital Authority d/b/a Erlanger Satellite Emergency Department, located in Dunlap (Sequatchie County), Tennessee, seeks Certificate of Need (CON) approval for the initiation and operation of a Satellite Emergency Department. The facility will be located at 16931 Rankin Avenue in Dunlap, Tennessee. No other health care services will be initiated or discontinued.

The development of the satellite ED is being developed in collaboration with Sequatchie County Government, which owns and operates the EMS service that serves Sequatchie County from the same location and building proposed for the satellite emergency department. The site includes an existing heli-pad that will be utilized by Erlanger's LifeForce air ambulance service. The building contains approximately 10,650 square feet of space and will be leased from Sequatchie County for \$1 per year for a term of 10 years. Sequatchie County has secured a grant to purchase \$500,000 in medical equipment that will be included in the \$1 per year lease. The book value of the building is \$767,489.70. This yields a value of \$50.14 per square foot as there is a total of 15,307 square feet. Erlanger Bledsoe Hospital will occupy approximately 10,650 square feet.

The facility has approximately 1,100 SF of patient triage, exam rooms, and treatment spaces, including a trauma room and orthopedic room. There is a separate ambulance space with a decontamination room. There is approximately 500 SF of waiting room to accommodate about 50 occupants. Other required spaces such as nursing work and communication station, patient toilets, soiled utility room, clean work room, storage, staff lounge, and toilet, as well as environmental services, are all provided.

There is a 400 SF radiology suite, which requires the addition and installation of x-ray imaging and processing equipment to become functional. There is also 410 SF of laboratory space.

The equipment the applicant intends to purchase includes a defibrillator; physiological monitor #1 and #2; stand alone ETCO2; 2 vital signs monitor; 2 infusion pumps; EKG machine; patient warmer/cooler; and slit lamp. The equipment the applicant intends to purchase with grant money includes monitoring equipment; EMS connectivity; decontamination unit; security system; crash carts, glucose meters, wall and portable suction equipment; imaging system connectivity; and a Kronos clock with installation. The applicant will also lease a CT scanner for 5 years valued at \$1,129,776.

Erlanger Health System is owned by Chattanooga-Hamilton County Hospital Authority. Erlanger Health System is a single legal entity and Erlanger Bledsoe Hospital is an administrative unit of Erlanger Health System.

The total estimated project cost is \$1,816,347 and will be funded through cash reserves as stated in a letter from the Chief Financial Officer of Erlanger Health System included in the application.

GENERAL CRITERIA FOR CERTIFICATE OF NEED

The applicant responded to all of the general criteria for Certificate of Need as set forth in the document *Tennessee's Health: Guidelines for Growth, 2000 Edition*.

NEED:

The applicant's service area is Sequatchie County. The projected population is illustrated in the charts below.

Service Area Total Population Projections for 2012 and 2016

County	2012 Population	2016 Population	% Increase/ (Decrease)
Sequatchie	14,042	14,701	4.7%

Source: *Tennessee Population Projections 2000-2020, February 2008 Revision*, Tennessee Department of Health, Division of Health Statistics

Service Area Total Population Projections for Age 65 and Older for 2012 and 2016

County	2012 Population	2016 Population	% Increase/ (Decrease)
Sequatchie	2,144	2,463	14.9%

Source: *Tennessee Population Projections 2000-2020, February 2008 Revision*, Tennessee Department of Health, Division of Health Statistics

A CON was granted in September 1993 for a free standing satellite emergency department to be located in Dunlap, Tennessee and in October 1994 approval was granted to South Pittsburg Medical Center to occupy the facility.

The satellite emergency department was operated by Grandview Medical Center, formerly South Pittsburg Medical Center, until August 2010, at which time it was effectively downgraded to an urgent care center. In February 2012, Grandview Medical Center no longer operated the center due to financial losses. The applicant notes that Grandview Medical Center operated the satellite emergency department on the basis of prospective reimbursement from Medicare and government payers.

Erlanger Bledsoe Hospital, located in Bledsoe County, a CMS designated Critical Access Hospital, seeks approval to develop a satellite emergency department in the same location and facility previously occupied by Grandview Medical Center. Dunlap, Tennessee is located approximately 22 miles from Erlanger Bledsoe Hospital. The plans for the satellite emergency hospital are being developed in collaboration with Sequatchie County Government. The satellite ED will be a Class A facility, as per CMS guidelines and will be affiliated with Erlanger Bledsoe Hospital which is a Level I trauma center.

For Sequatchie County residents, the need for emergency medical services is clear. The county ranks near the bottom of the list in health rankings of the 95 counties in Tennessee. The premature death rate, the rate which people die before the age of 75, is at 11,234 per 100,000 for Sequatchie County. This is more than double the U.S. rate of 5,496 per 100,000 and nearly 25% higher than the overall Tennessee rate of 9,093 per 100,000. Neighboring Bledsoe County, which has a population similar in size to Sequatchie County, is ranked near the top healthiest one third counties in the state on premature deaths. Ironically, the population of Bledsoe County has a lower socioeconomic status and is not as well educated as those residents in Sequatchie County. The key difference between the two is the residents of Bledsoe County have proximal access to full service emergency medical care at Erlanger Bledsoe Hospital, and Sequatchie does not.

Providing needed emergency medical care to a population of approximately 15,000 people is challenging when one factors the cost, inclusive of facilities, the manpower, and the essential equipment.

CMS recognizes the difficulty in the same way it recognizes rural health clinics, federally qualified health centers, and critical care access hospitals. Special rules and regulations allow providers to be reimbursed on a cost basis, as there is no way to provide essential services following regular reimbursement methods to target population without experiencing substantial losses. Grandview Medical Center was unable to sustain the ED due to financial losses. Erlanger Medical Center has sought and received CMS authorization to develop the proposed ED as a satellite to ensure they will be economically sustainable on the cost based reimbursement methodology. Working with Sequatchie County Government is also vital in helping to ensure that the population will have access to needed emergency services.

TENNCARE/MEDICARE ACCESS:

The applicant is Medicare/Medicaid certified and has contracts with BlueCare, TennCare Select, United Healthcare Community Plan, and AmeriGroup Community Care MCO plans.

The following chart illustrates the number of TennCare enrollees in the applicant's service area.

TennCare Enrollees in the Proposed Service Area			
County	2012 Population	TennCare Enrollees	% of Total Population
Sequatchie	14,042	3,589	25.6%

Source: *Tennessee Population Projections 2000-2020*, February 2008 Revision Tennessee Department of Health, Division of Health Statistics and *Tennessee TennCare Management Information System, Recipient Enrollment*, Bureau of TennCare,

The applicant projects year one Medicaid revenues of \$4,821,049 or 23.6% of total gross revenues and Medicare revenues of \$8,193,228 or 40.1% of total gross revenues.

ECONOMIC FACTORS/FINANCIAL FEASIBILITY:

In the Project Costs Chart located in Supplemental 3, the applicant's total estimated project cost is \$1,816,347, which includes \$85,000 for construction costs; \$63,503 for moveable equipment; \$533,991 for the building; \$1,129,776 for equipment; and \$4,077 for CON filing fees.

In the Historical Data Chart, the applicant reports 10,355, 9,406, and 14,21 adjusted patient days in 2009, 2010, and 2011 with gross operating revenues of \$15,314,149, \$15,133,235, and \$19,123,768 each year, respectively. Contractual adjustments, provisions for charity care and bad debt reduced net operating revenue to \$6,827,981, \$6,067,475, and \$8,470,301 in each respective year. The applicant reports a net operating (loss) of (\$1,023,694), (\$1,903,054), and (\$16,085) each year, respectively.

In the Projected Data Chart located in Supplemental 3, the applicant projects 5,000 ED visits in year one and 5,250 ED visits in year two with gross operating revenues of \$7,680,000 and \$8,463,168 each year, respectively. Contractual adjustments, provisions for charity care and bad debt reduced net operating revenue to \$1,778,183, and \$1,893,402 each year. The applicant projects a net operating (loss) of (\$575,068), and (\$573,635) each year, respectively.

The applicant's average charges per patient amounts are as follows:

- Average Gross Charge-\$1,536
- Average deduction from Revenue for Medicare-\$1,185
- Average deduction for TennCare/Medicaid-\$1,188
- Average deduction for private pay-\$907

Average Net Revenue

- Medicare-\$351
- TennCare/Medicaid-348
- Private Pay-\$629

The applicant provides a comparison of their charges by THA service line. It is included in the application.

The evaluation of the alternatives was as follows:

- 1) Establish a satellite ED as a provider based extension of Erlanger Medical Center;
- 2) Establish a satellite ED as a provider as a provider based extension of Erlanger Bledsoe Hospital;
- 3) Establish a provider based rural health clinic operated as a department of Erlanger Bledsoe Hospital.

Upon careful evaluation of all options, the only viable option for provision of emergency services to Sequatchie County was to establish a satellite ED as a provider based extension of Erlanger Bledsoe Hospital due to the cost based reimbursement for critical care access hospitals.

CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTHCARE:

Erlanger Bledsoe Hospital and the proposed emergency satellite are part of an existing health system and will enhance Erlanger Health System's ability to integrate its services with the regional service area as the safety net provider, trauma center and the region's only academic medical center. More than 90 hospitals and other providers in the four state area currently refer patients to Erlanger because of the depth and breadth of its programs and services. By providing these services regardless of a patient's ability to pay, the regional healthcare delivery system is positively impacted by the services envisioned in this CON application.

The applicant current has transfer agreement with Erlanger Medical Center, Erlanger North Hospital, T. C. Thompson Children's Hospital, and Erlanger East Hospital.

The effect of this proposal will be positive for the health care system because it will deliver the most appropriate level of care for those who are in need of essential emergency services regardless of the ability to pay.

The applicant's anticipated staffing pattern is 1.0 FTE emergency department manager, 4.6 FTE registered nurses, 3.0 FTE medical technologists, 0.2 FTE pharmacy technician, 3.0 FTE radiologic technicians, 2.3 FTE admission clerks, 1.5 FTE housekeepers, and 0.5 FTE maintenance technicians. The medical staffing plan also is to have 1.0 physician on site during each shift.

Erlanger Health System, as the region's only academic medical center, has established strong long term relationships with the region's colleges, universities, and clinical programs. Erlanger provides

clinical sites for internships and rotation programs in nursing, radiology, respiratory, pharmacy, and surgery technology, to name a few.

Further, affiliation with the University of Tennessee, College of Medicine includes training of senior medical students on clinical rotation as well as graduate medical education for training of residents and advanced fellowships in various specialties.

The applicant is licensed by the Tennessee Department of Health, Board for Licensing Healthcare Facilities and accredited by The Joint Commission. The most recent survey occurred on 11/09/2011. Deficiencies were noted in equipment and supplies, record systems, restraints and NFPA, and life safety codes.

SPECIFIC CRITERIA FOR CERTIFICATE OF NEED

The applicant responded to all relevant specific criteria for Certificate of Need as set forth in the document *Tennessee's Health: Guidelines for Growth, 2000 Edition*.

CONSTRUCTION, RENOVATION, EXPANSION, AND REPLACEMENT OF HEALTH CARE INSTITUTIONS

1. Any project that includes the addition of beds, services, or medical equipment will be reviewed under the standards for those specific activities.

This criterion is not applicable.

2. For relocation or replacement of an existing licensed health care institution:
 - a. The applicant should provide plans which include costs for both renovation and relocation, demonstrating the strengths and weaknesses of each alternative.
 - b. The applicant should demonstrate that there is an acceptable existing or projected future demand for the proposed project.

These criteria are not applicable.

3. For renovation or expansions of an existing licensed health care institution:
 - a. The applicant should demonstrate that there is an acceptable existing demand for the proposed project.

The applicant provides a table illustrating the combined total of ED visits and urgent care center visits for Sequatchie County on page 27 of the application. The combined total is estimated to be 16,356 in CY2017. The applicant has only estimated 5,000 visits in year one and 5,250 visits in year two of the project, which is well below the estimated total number of visits for the service area. The applicant has conservatively estimated the initial volume but expects utilization to increase over time.

- b. The applicant should demonstrate that the existing physical plant's condition warrants major renovation or expansion.

The above criterion is not applicable. However, the applicant notes the facility was previously approved, licensed, and operated as a free-standing emergency department.